REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 27 OF 2014
ON
MANAGEMENT OF STATE/LOCAL-OWNED ASSETS

BY THE GRACE OF ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : a. that the increasingly developing and complex management of State/Local-Owned Assets needs to be optimally managed;

b. that Government Regulation Number 6 of 2006 on Management of State/Local-Owned Assets, as amended by Government Regulation Number 38 of 2008 on Amendment to Government Regulation Number 6 of 2006 on Management of State/Local-Owned Assets, is no longer in accordance with the development in the management of State/Local-Owned Assets, and thus needs to be replaced;

c. that based on the considerations as referred to in paragraphs a and b, and to implement the provisions of Article 49 paragraph (6) of Law Number 1 of 2004 on State Treasury, it is necessary to issue a Government Regulation on the Management of State/Local-Owned Assets;

Having regard to : 1. Article 5 paragraph (2) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 1 of 2004 on State Treasury (State Gazette of the Republic of Indonesia Year 2004 Number 5, Supplement to the State Gazette of the Republic of Indonesia Number 4355);

HEREBY DECIDES:

To issue : GOVERNMENT REGULATION ON MANAGEMENT OF STATE/LOCAL-OWNED ASSETS.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Government Regulation:

1. State-Owned Asset means all assets purchased or procured at the expense of the State Budget or derived from other legal acquisitions.
2. Local-Owned Asset means all assets purchased or procured at the expense of the Local Budget or derived from other legal acquisitions.
3. Asset Manager means officials holding the authority and responsibility to establish policies and guidelines, and to manage State/Local-Owned Assets.
4. Asset User means officials holding the authority to use the State/Local–Owned Assets.
5. Proxy of Asset User means the head of a work unit or officials designated by the Asset User to use assets that are in his/her control optimally.
6. Valuer means a party that conducts an independent valuation based on their competence.
7. Valuation means the process of providing a value opinion on a valuation object in the form of State/Local-Owned Assets at a specific time.
8. Planning of Needs means the activity of formulating the detailed requirements of State/Local-Owned Assets to connect past procurements with current conditions as a basis for future actions.
9. Use means activities carried out by the Asset User in managing and administering State/Local-Owned Assets in accordance with the duties and functions of the respective institution.
10. Utilization means the leveraging of State/Local-Owned Assets that are not used for carrying out the duties and functions of the Ministries/Institutions/regional work unit, and/or the optimization of State/Local-Owned Assets without changing their ownership status.
11. Lease means the Utilization of State/Local-Owned Assets by other parties for a certain term and receiving monetary compensation.
12. Borrow and Use means the handover of the Use of assets between the Central Government and Local Government, or among Local Governments, for a certain term without receiving compensation, and upon the expiry of such term, the assets are returned to the Asset Manager.
13. Utilization Cooperation means the Utilization of State/Local-Owned Assets by other parties for a certain term to increase non-tax state revenues/Local revenues and other funding sources.
14. Build–Operate–Transfer means the Utilization of State/Local-Owned Assets in the form of land by other parties through constructing buildings and/or facilities

including their amenities, which are then utilized by such party for a certain agreed term, and subsequently, the land along with the buildings and/or facilities including their amenities are returned after the expiration of the term.

15. Build–Transfer–Operate means the Utilization of State/Local-Owned Assets in the form of land by other parties through constructing buildings and/or facilities, including their amenities, and after the completion of construction, are handed over to be utilized by such party for a certain agreed term.
16. Infrastructure Provision Cooperation means cooperation between the Government and Business Entities for infrastructure provision activities in accordance with the provisions of Laws and Regulations.
17. Transfer means the transfer of ownership of State/Local-Owned Assets.
18. Sale means the transfer of ownership of State/Local-Owned Assets to other parties by receiving compensation in the form of money.
19. Asset Swap means the transfer of ownership of State/Local-Owned Assets conducted between the Central Government and Local Government, among Local Governments, or between the Central Government/Local Governments and other parties, by receiving compensation primarily in the form of assets of at least equivalent value.
20. Grant means the transfer of ownership of assets from the Central Government to a Local Government, from a Local Government to the Central Government, among Local Governments, or from the Central Government/Local Governments to Other Parties, without receiving compensation.
21. Capital Participation of the Central/Local Government means the transfer of ownership of State/Local-Owned Assets originally constituting non-separated assets into separated assets to be accounted for as state or Local capital/shares in state-owned enterprises, local-owned enterprises, or other state-owned legal entities.
22. Destruction means the act of destroying the physical form and/or utility of State/Local-Owned Assets.
23. Write-Off means the act of deleting State/Local-Owned Assets from the assets list by issuing a decision of the authorized official to release the Asset Manager, Asset User, and/or Proxy of Asset User from administrative and physical responsibility for the Assets that are in his/her control.
24. Administration means a series of activities comprising bookkeeping, inventory, and reporting of State/Local-Owned Assets in accordance with the provisions of the Laws and Regulations.

25. Inventory means an activity to conduct data collection, recording, and reporting the results of data collection of State/Local-Owned Assets.
26. User's Asset List means a list containing data on assets used by each Asset User.
27. User Proxy's Asset List means a list containing data on assets owned by each Proxy of Asset User.
28. State Ministry, hereinafter referred to as the Ministries, means the Government apparatus responsible for specific affairs within the government.
29. Institution means the non-State Ministerial organizations and other budget-using institutions established to carry out specific duties based on the 1945 Constitution of the Republic of Indonesia or other Laws and Regulations.
30. Minister/Head of Institution means the officials responsible for the Use of State-Owned Assets at the respective Ministries/Institutions.
31. Other Parties mean parties other than Ministries/ Institutions and Local Governments.

Article 2

(1) State/Local-Owned Assets include:
    a. assets purchased or acquired at the expense of the State/Local Budget; and
    b. assets derived from other legal acquisitions.
(2) The assets as referred to in paragraph (1) subparagraph b include:
    a. assets acquired from grants/donations or similar means;
    b. assets acquired as a result of an agreement/contract;
    c. assets acquired in accordance with the provisions of laws and regulations; or
    d. assets acquired based on a final and binding court judgment.

Article 3

(1) The management of State/Local-Owned Assets is conducted based on the principles of functionality, legal certainty, transparency, efficiency, accountability, and value certainty.
(2) The management of State/Local-Owned Assets includes:
    a. Planning of Needs and budgeting;
    b. procurement;
    c. Use;
    d. Utilization;
    e. safeguarding and maintenance;
    f. Valuation;
    g. Transfer;
    h. Destruction;
    i. Write-Off;

j. Administration; and
k. guidance, supervision, and control.

CHAPTER II
OFFICIALS FOR THE MANAGEMENT OF STATE/LOCAL-OWNED ASSETS

Division One
Asset Manager

Article 4

(1) The Minister of Finance, as the state general treasurer, is the State-Owned Asset Manager.
(2) The State-Owned Asset Manager is authorized and responsible for:
a. formulating policies, regulating, and formulating guidelines for the management of State-Owned Assets;
b. examining and approving the plan of needs for State-Owned Assets;
c. determining the status of control and the Use of State-Owned Assets;
d. submitting proposals for the Transfer of State-Owned Assets in the form of land and/or buildings requiring the approval from the House of Representatives;
e. deciding on proposals for the Transfer of State-Owned Assets under the Asset Manager that do not require the approval from the House of Representatives, as long as they are within the authority limits of the Minister of Finance;
f. providing considerations and forwarding proposals for the Transfer of State-Owned Assets that do not require approval from the House of Representatives to the President;
g. providing approval for proposals for the Transfer of State-Owned Assets under the Asset User that do not require approval from the House of Representatives, as long as it is within the authority of the Minister of Finance;
h. determining the Use, Utilization, or Transfer of State-Owned Assets under the Asset Manager;
i. providing approval for proposals for the Utilization of State-Owned Assets under the Asset User;
j. providing approval for proposals for the Destruction and Write-Off of State-Owned Assets;
k. conducting coordination in the implementation of the Inventory of State-Owned Assets and compiling the results of the Inventory;
l. preparing reports on State-Owned Assets;
m. conducting guidance, supervision, and control over the management of State-Owned Assets; and

n. compiling and preparing a recapitulation report on State/Local-Owned Assets to the President, if necessary.

(3) The State-Owned Asset Manager may delegate certain authority and responsibilities as referred to in paragraph (2) to the Asset User/Proxy of Asset User.

(4) The certain authority and responsibilities that may be delegated as referred to in paragraph (3) and the procedures for such delegation are regulated by a Regulation of the Minister of Finance.

Article 5

(1) Governors/Regents/Mayors are the holders of the power to manage Local-Owned Assets.

(2) The holder of the power to manage Local-Owned Assets is authorized and responsible for:
   a. formulating policies for the management of Local-Owned Assets;
   b. determining the Use, Utilization, or Transfer of Local-Owned Assets in the form of land and/or buildings;
   c. formulating policies for the safeguarding and maintenance of Local-Owned Assets;
   d. appointing officials who manage and store Local-Owned Assets;
   e. submitting proposals for the Transfer of Local-Owned Assets that require the approval from the Regional House of Representatives;
   f. providing approval on proposals for the Transfer, Destruction, and Write-Off of Local-Owned Assets in accordance with the limits of authority;
   g. providing approval on proposals for the Utilization of Local-Owned Assets in the form of partial land and/or buildings and other than land and/or buildings; and
   h. providing approval on proposals for the Utilization of Local-Owned Assets in the form of Infrastructure Provision Cooperation.

(3) The Regional Secretary is the Local-Owned Asset Manager.

(4) The Local-Owned Asset Manager is authorized to and responsible for:
   a. examining and approving the plan of needs for Local-Owned Assets;
   b. examining and approving the plan of needs of maintenance/care of Local-Owned Assets;
   c. submitting proposals for the Transfer of Local-Owned Assets that require the approval from the Governor/Regent/Mayor;
   d. regulating the implementation of the Use, Utilization, Destruction, and Write-Off of Local-Owned Assets;

e. regulating the implementation of the Transfer of Local-Owned Assets that has been approved by the Governor/Regent/Mayor, or the Regional House of Representatives;
f. conducting an Inventory of Local-Owned Assets; and
g. conducting supervision and control over the management of Local-Owned Assets.

Division Two
Asset User/Proxy of Asset User

Article 6

(1) Minister/Head of Institution, as the head of the Ministry/Institution, is a State-Owned Asset User.
(2) The State-Owned Asset User is authorized to and responsible for:
a. designating Proxy of Asset User and appointing officials who manage and store State-Owned Assets;
b. submitting the plan of needs and budgeting for State-Owned Assets for their respective Ministries/Institutions;
c. carrying out the procurement of State-Owned Assets in accordance with the provisions of laws and regulations;
d. submitting applications for the determination of Use status of State-Owned Assets that are in his/her control to the Asset Manager;
e. using State-Owned Assets that are in his/her control for the purpose of carrying out the duties and functions of their Ministries/Institutions;
f. safeguarding and maintaining State-Owned Assets that are in his/her control;
g. submitting proposals for the Utilization of State-Owned Assets that are in his/her control to the Asset Manager;
h. submitting proposals for the Transfer of State-Owned Assets that are in his/her control to the Asset Manager;
i. handing over State-Owned Assets that are not used for the purposes of carrying out the duties and functions of their respective Ministries/Institutions, and are not utilized by Other Parties to the Asset Manager;
j. submitting proposals for the Destruction and Write-Off of State-Owned Assets that are in his/her control to the Asset Manager;
k. conducting guidance, supervision, and control over the Use of State-Owned Assets that are in his/her control;
l. conducting a record and Inventory of State-Owned Assets that are in his/her control; and

m. preparing and submitting semi-annual and annual user asset reports that are in his/her control to the Asset Manager.

(3) The State-Owned Asset User may delegate certain authority and responsibilities as referred to in paragraph (2) to the Proxy of Asset User.

(4) Certain authority and responsibilities that may be delegated as referred to in paragraph (3) and the procedures for such delegation are regulated by the Asset User, guided by the laws and regulations in the field of management of the State-Owned Assets.

Article 7

(1) Head of Office within a Ministry/Institution is the Proxy of Asset User for the State-Owned Assets within his/her respective offices.

(2) State-Owned Proxy of Asset User is authorized to and responsible for:

a. submitting the plan of needs of State-Owned Assets for their respective offices to the Asset User;
b. submitting applications for the determination of Use status of State-Owned Assets that are in his/her control to the Asset User;
c. conducting record and Inventory of State-Owned Assets that are in his/her control;
d. using State-Owned Assets that are in his/her control for the purpose of carrying out the duties and functions of their respective offices;
e. safeguarding and maintaining State-Owned Assets that are in his/her control;
f. submitting proposals for the Utilization and Transfer of State-Owned Assets that are in his/her control to the Asset User;
g. handing over State-Owned Assets that are not used for the purposes of carrying out the duties and functions of their respective offices, and are not currently utilized by Other Parties, to the Asset User;
h. submitting proposals for the Destruction and Write-Off of State-Owned Assets that are in his/her control to the Asset User;
i. conducting supervision, and controlling the Use of State-Owned Assets that are in his/her control; and
j. preparing and submitting semi-annual and annual user proxy asset reports that are in his/her control to the Asset User.

Article 8

(1) The Head of a regional work units is the User of Local-Owned Assets.

(2) The User of Local-Owned Assets is authorized to and responsible for:

a. submitting the plan of needs and budgeting for Local-Owned Assets for their respective regional work unit;
b. submitting applications for the determination of Use status of Local-Owned Assets derived from the Local Budget and other legal acquisitions;
c. conducting record and Inventory of Local-Owned Assets that are in his/her control;
d. using Local-Owned Assets that are in his/her control to carry out the functions and duties of their respective regional work unit;
e. safeguarding and maintaining Local-Owned Assets that are in his/her control;
f. submitting proposals for the Utilization and Transfer of Local-Owned Assets in the form of land and/or buildings that do not require approval from the Regional House of Representatives and Local Owned Assets other than land and/or buildings;
g. handing over Local-Owned Assets in the form of land and/or buildings that are not used for the purpose of carrying out the duties and functions of the regional work unit that he/she led, and are not currently utilized by Other Parties, to the Governor/Regent/Mayor through the Asset Manager;
h. submitting proposals for the Destruction and Write-Off of Local-Owned Assets;
i. conducting guidance, supervision, and control over the Use of Local-Owned Assets that are in his/her control; and
j. preparing and submitting semi-annual and annual user asset reports that are in his/her control to the Asset Manager.

CHAPTER III
PLANNING OF NEEDS AND BUDGETING

Article 9

(1) Planning of Needs for State/Local-Owned Assets is prepared by considering the needs for carrying out the duties and functions of Ministries/Institutions/regional work units, as well as the availability of existing State/Local-Owned Assets.
(2) The Planning of Needs as referred to in paragraph (1) includes planning for the procurement, maintenance, Utilization, Transfer and Write-Off of State/Local-Owned Assets.
(3) The Planning of Needs as referred to in paragraph (1) constitutes one of the bases for Ministries/Institutions/regional work units in proposing budget allocation for new initiatives and baseline figures, as well as the preparation of work plans and budgets.

(4) The Planning of Needs as referred to in paragraph (1), except for Write-Off, is guided by: a. the assets standards;
b. the requirements standards; and/or
c. the price standards.

(5) The asset standards and requirement standards as referred to in paragraph (4) subparagraphs a and b are determined by:
a. the Asset Manager, for State-Owned Assets, after coordinating with relevant institutions; or
b. Governor/Regent/Mayor, for Local-Owned Assets after coordinating with relevant technical departments.

(6) The determination of the requirements standards by the Governor/Regent/Mayor, as referred to in paragraph (5) subparagraph b is carried out based on guidelines set out by the Minister of Home Affairs.

(7) The price standards as referred to in paragraph (4) subparagraph c are determined in accordance with the provisions of laws and regulations.

Article 10

(1) The Asset User collects the proposed assets plan of needs submitted by the Proxy of Asset User within their respective office.

(2) The Asset User submits a proposed plan of needs of State/Local-Owned Assets as referred to in paragraph (1) to the Asset Manager.

(3) The Asset Manager conducts a review of the proposed plan of needs of State/Local-Owned Assets as referred to in paragraph (2) jointly with the Asset User, by considering the assets data at the Asset User and/or the Asset Manager, and stipulating it as the plan of needs of State/Local-Owned Assets.

Article 11

Further provisions on procedures on the implementation of the Planning of Needs and budgeting of State-Owned Assets are regulated in a Regulation of the Minister of Finance.

CHAPTER IV
PROCUREMENT

Article 12

The procurement of State/Local-Owned Assets is carried out based on the principles of efficiency, effectiveness, transparency, openness, competitiveness, fairness, and accountability.

Article 13

The implementation of procurement of State/Local-Owned Assets is in accordance with the provisions of laws and

regulations, unless otherwise specified in this Government Regulation.

CHAPTER V
USE

Article 14

The Use status of State/Local-Owned Assets is determined by:

a. the Asset Manager, for State-Owned Assets; or
b. Governor/Regent/Mayor, for Local-Owned Assets.

Article 15

The determination of Use status shall not apply to:

a. State/Local-Owned Assets in the form of:
    1. supplies;
    2. construction in progress; or
    3. assets for which initial procurement are planned to be granted.
b. State-Owned Assets originating from deconcentration fund and assistance task support fund which are planned to be handed over;
c. other State-Owned Assets further determined by the Asset Manager; or
d. other Local-Owned Assets further determined by the Governor/Regent/Mayor.

Article 16

(1) The Asset Manager may delegate the determination of the Use status of State-Owned Assets other than land and/or buildings under certain conditions to the Asset User/Proxy of Asset User.
(2) The Governor/Regent/Mayor may delegate the determination of the Use status of Local-Owned Assets other than land and/or buildings under certain conditions to the Local-Owned Asset Manager.

Article 17

(1) The determination of the Use status of State-Owned Assets as referred to in Article 14 subparagraph a is carried out in accordance with the following procedures:
    a. The Asset User reports the State-Owned Assets received to the Asset Manager, attached with a proposal for Use; and
    b. The Asset Manager examines the report from the Asset User as referred to in subparagraph a and determines its use status.
(2) The determination of the Use status of Local-Owned Assets as referred to in Article 14 subparagraph b is carried out in accordance with the following procedures:
    a. The Asset User reports the Local-Owned Assets received to the Asset Manager, attached with a proposal for Use; and

b. The Asset Manager examines the report from the Asset User as referred to in subparagraph a and submits proposals for Use to the Governor/Regent/Mayor for the determination of its use status.

(3) Under certain conditions, the Asset Manager may determine the Use status of State-Owned Assets under the Asset User without a prior proposal from the Asset User.

Article 18

State/Local-Owned Assets may be determined for their Use status for carrying out the duties and functions of the Ministries/Institutions/regional work unit, to be operated by Other Parties to provide public services in accordance with the duties and functions of the respective Ministries/Institutions/regional work unit.

Article 19

(1) State-Owned Assets whose Use status has been assigned to the Asset User may be temporarily used by another Asset User for a certain term without having to change the Use status of the said State-Owned Assets after first obtaining approval from the Asset Manager.

(2) Local-Owned Assets whose Use status has been assigned to the Asset User may be temporarily used by another Asset User for a certain term without having to change the Use status of the said Local-Owned Assets after first obtaining approval from the Governor/Regent/Mayor.

Article 20

(1) The Use status of State-Owned Assets may be transferred from one Asset User to another Asset User to carry out the duties and functions based on the approval from the Asset Manager.

(2) The transfer of the Use status of the State-Owned Assets may also be carried out based on the initiative of the Asset Manager by first notifying the Asset User of such intention.

Article 21

(1) The Use status of Local-Owned Assets may be transferred from one Asset User to another Asset User to carry out the duties and functions based on the approval from the Governor/Regent/Mayor.

(2) The transfer of the Use status of the Local-Owned Assets may also be carried out based on the initiative of the Governor/Regent/Mayor by first notifying the Asset User of such intention.

Article 22

(1) The determination of Use status of State/Local-Owned Assets in the form of land and/or buildings is carried out under the condition that such land and/or buildings are required for the purpose of implementing the duties and functions of the respective Asset User and/or Proxy of Asset User.

(2) Asset User shall hand over State/Local-Owned Assets in the form of land and/or buildings which are not used in carrying out the duties and functions of Asset User, to:
   a. the Asset Manager, for State-Owned Assets; or
   b. the Governor/Regent/Mayor, for Local-Owned Assets.

(3) The provisions as referred to in paragraph (2) do not apply if such land and/or building has been planned to be used or utilized within a certain term set by:
   a. the Asset User, for State-Owned Assets; or
   b. the Governor/Regent/Mayor, for Local-Owned Assets.

Article 23

(1) Asset User who fails to hand over State-Owned Assets in the form of land and/or buildings that have been determined as State-Owned Assets that are not used in carrying out the duties and functions of the Asset User as referred to in Article 22 paragraph (2) shall be subject to sanctions in the form of:
   a. suspension of maintenance funds for the said State-Owned Assets in the form of land and/or buildings; and/or
   b. postponement of completion of the proposed Utilization, Transfer, or Disposal of State-Owned Assets.

(2) Asset User who fails to hand over Local-Owned Assets in the form of land and/or buildings that are not used in carrying out the duties and functions of the Asset User as referred to in Article 22 paragraph (2) to the Governor/Regent/Mayor, shall be subject to a sanction in the form of suspension of maintenance funds for the said Local-Owned Assets in the form of land and/or buildings.

(3) The land and/or buildings that are not used or not utilized as referred to in paragraphs (1) and (2), their determination of use status revoked by:
   a. the Asset Manager, for State-Owned Assets; or
   b. the Governor/Regent/Mayor, for Local-Owned Assets.

(4) Further provisions on the procedures for imposing sanctions on Asset User who fails to hand over State-Owned Assets are regulated by a Regulation of the Minister of Finance.

Article 24

(1) The Asset Manager determines State-Owned Assets that must be handed over by the Asset User because they are not used for the purposes of carrying out the duties and functions of the Asset User and/or the Proxy of Asset User and are not utilized by Other Parties.
(2) The Governor/Regent/Mayor determines Local-Owned Assets that must be handed over by the Asset User because they are not used for the purpose of carrying out the duties and functions of the Asset User and/or the Proxy of Asset User and are not utilized by Other Parties.
(3) In determining the handover as referred to in paragraphs (1) and (2), the State-Owned Asset Manager or the Governor/Regent/Mayor considers:
    a. the standards requirements for land and/or building to carry out and support the duties and functions of the relevant institutions;
    b. audit results on the Use of land and/or buildings; and/or
    c. reports, data, and information obtained from other sources.
(4) The follow-up management on the handover of State-Owned Assets as referred to in paragraph (1), or Local-Owned Assets as referred to in paragraph (2), includes:
    a. determination of the Use status;
    b. Utilization; or
    c. Transfer.

Article 25

Further provisions on the procedures for the implementation of the Use of State-Owned Assets are regulated in a Regulation of the Minister of Finance.

CHAPTER VI
UTILIZATION

Division One
Criteria for Utilization

Article 26

(1) The Utilization of State- /Local-Owned Assets is carried out by:
    a. the Asset Manager, for State-Owned Assets under his/her control;
    b. the Asset Manager, with the approval from the Governor/Regent/Mayor, for Local-Owned Assets under the control of the Asset Manager;
    c. the Asset User, with the approval from the Asset Manager, for State-Owned Assets under the control of the Asset User; or
    d. the Asset User, with the approval from the Asset Manager, for Local-Owned Assets in the form of

partial land and/or buildings still used by the Asset User, and other than land and/or buildings.

(2) The Utilization of State/Local-Owned Assets is carried out based on technical considerations, considering the interests of the state/region and public interest.

Division Two
Forms of Utilization

Article 27

Forms of Utilization of State/Local-Owned Assets include:
a. Lease;
b. Borrow and Use;
c. Utilization Cooperation;
d. Build-Operate-Transfer or Build-Transfer-Operate; or
e. Infrastructure Provision Cooperation.

Division Three
Lease

Article 28

(1) Lease of State/Local-Owned Assets is applied to:
   a. State-Owned Assets under the Asset Manager;
   b. Local-Owned Assets in the form of land and/or buildings that have been handed over by the Asset User to the Governor/Regent/Mayor;
   c. State-Owned Assets under the Asset User;
   d. Local-Owned Assets in the form of partial land and/or buildings still used by the Asset User; or
   e. Local-Owned Assets other than land and/or buildings.

(2) The Lease of State-Owned Assets as referred to in paragraph (1) subparagraph a is carried out by the Asset Manager.

(3) The Lease of Local-Owned Assets as referred to in paragraph (1) subparagraph b is carried out by the Asset Manager after obtaining approval from the Governor/Regent/Mayor.

(4) The Lease of State/Local-Owned Assets as referred to in paragraph (1) subparagraphs c, d, and e is carried out by the Asset User after obtaining approval from the Asset Manager.

Article 29

(1) State/Local-Owned Assets may be leased to Other Parties.

(2) The Lease term for State/Local-Owned Assets is a maximum of five (5) years and may be extended.

(3) The Lease term for State/Local-Owned Assets, as referred to in paragraph (2), may be more than 5 (five) years and may be extended for:
   a. infrastructure cooperation;

b. activities with business characteristics that require a lease term of more than five (5) years; or
c. otherwise determined in the Law.

(4) The formula for the tariff/amount of Lease for State/Local-Owned Assets in the form of land and/or buildings is determined by:
a. the Asset Manager, for State-Owned Assets; or
b. the Governor/Regent/Mayor, for Local-Owned Assets.

(5) The amount of Lease for State/Local-Owned Assets for infrastructure cooperation, as referred to in paragraph (3) subparagraph a, or for activities with business characteristics that require a lease term of more than five (5) years, as referred to in paragraph (3) subparagraph b, may consider the economic value of each type of infrastructure.

(6) The formula for the tariff/amount of Lease for State/Local-Owned Assets other than land and/or buildings is determined by:
a. Asset User with the approval from the Asset Manager, for State-Owned Assets; or
b. Governor/Regent/Mayor guided by the policy on the management of Local-Owned Assets, for Local-Owned Assets.

(7) Lease of State/Local-Owned Assets is carried out based on an agreement, which at least contains:
a. the parties bound by the agreement;
b. type, area or quantity of assets, amount of Lease, and term;
c. lessee's responsibility for operational and maintenance costs during the Lease term; and
d. rights and obligations of the parties.

(8) Proceeds from the Lease of State/Local-Owned Assets constitute state revenue and all shall be deposited into the State/Local General Treasury account.

(9) The deposit of Lease money must be made in full in cash not later than two (2) workdays before the signing of the State/Local-Owned Assets Lease agreement.

(10) Excluded from the provisions as referred to in paragraph (9), the deposit of Lease money for State/Local-Owned Assets for infrastructure cooperation may be made in stages with the approval from the Asset Manager.

Division Four
Borrow and Use

Article 30

(1) Borrow and Use of State/Local-Owned Assets is carried out between the Central Government and Local Governments or between Local Governments in the context of the administration of government.

(2) The term of Borrow and Use of State/Local-Owned Assets is a maximum of five (5) years and can be extended one (1) time.

(3) Borrow and Use are carried out based on an agreement which at least contains:
   a. the parties bound by the agreement;
   b. type, area or quantity of assets lent, and term;
   c. the borrower's responsibility for operational and maintenance costs during the Borrow and Use term; and
   d. the rights and obligations of the parties.

Division Five
Utilization Cooperation

Article 31

Utilization Cooperation of State/Local-Owned Assets with Other Parties is carried out to:
a. optimize the utility and effectiveness of State/Local-Owned Assets; and/or
b. increase state revenue/local income.

Article 32

(1) Utilization Cooperation of State/Local-Owned Assets is carried out for:
   a. State-Owned Assets under the Asset Manager;
   b. Local-Owned Assets in the form of land and/or buildings that have been handed over by the Asset User to the Governor/Regent/Mayor;
   c. State-Owned Assets under the Asset User;
   d. Local-Owned Assets in the form of partial land and/or buildings still used by the Asset User; or
   e. Local-Owned Assets other than land and/or buildings.
(2) Utilization Cooperation for State-Owned Assets as referred to in paragraph (1) subparagraph a is carried out by the Asset Manager.
(3) Utilization Cooperation for Local-Owned Assets as referred to in paragraph (1) subparagraph b is carried out by the Asset Manager after obtaining approval from the Governor/Regent/Mayor.
(4) Utilization Cooperation for State/Local-Owned Assets, as referred to in paragraph (1) subparagraphs c, d, and e is carried out by the Asset User after obtaining approval from the Asset Manager.

Article 33

(1) Utilization Cooperation of the State/Local-Owned Assets is carried out under the following provisions:
   a. funds are not available or not sufficiently available in the State/Local Budget to cover the necessary operational, maintenance, and/or repair costs for said State/Local-Owned Assets;
   b. the Utilization Cooperation partner is designated through a tender process, except for State/Local-

Owned Assets of a special nature, for which direct appointment may be carried out;

c. the direct appointment of a Utilization Cooperation partner for State/Local-Owned Assets of a special nature as referred to in subparagraph b is carried out by the Asset User to State/Local-Owned Enterprises that have specific fields and/or work areas in accordance with the provisions of laws and regulation;

d. the Utilization Cooperation partner must pay a fixed contribution annually throughout the stipulated special operational term and transfer its share of the profits generated from the Utilization Cooperation into the State/Local General Treasury account;

e. the amount of the fixed contribution payment and the profit-sharing from the Utilization Cooperation is determined based on the calculation of a team formed by:
   1. the Asset Manager, for State-Owned Assets under the Asset Manager and State-Owned Assets in the form of land and/or buildings, as well as parts of land and/or buildings under the Asset User;
   2. the Governor/Regent/Mayor, for Local-Owned Assets in the form of land and/or buildings;
   3. the Asset User and may involve the Asset Manager, for State-Owned Assets other than land and/or buildings that are under the Asset User; or
   4. the Local-Owned Asset Manager, for Local-Owned Assets other than land and/or buildings.

f. the amount of fixed contribution and profit-sharing payment from the results of the Utilization Cooperation must obtain approval from the Asset Manager;

g. in the Utilization Cooperation of State/Local-Owned Assets in the form of land and/or buildings, part of the fixed contribution and profit sharing may be in the form of buildings and their facilities built as a single planning unit, but not included as an object of the Utilization Cooperation;

h. the value of the buildings and their facilities as part of the fixed contribution and profit sharing, as referred to in subparagraph g shall not exceed 10% (ten percent) of the total receipts from fixed contributions and profit sharing during the Utilization Cooperation term;

i. buildings constructed with the cost of part of the fixed contribution and profit sharing from the beginning of their procurement are State/Local-Owned Assets;

j. during the operating term, the Utilization Cooperation partner shall not pledge or mortgage State/Local-Owned Assets that are the object of the Utilization Cooperation; and
k. the Utilization Cooperation term is a maximum of thirty (30) years from the date the agreement is signed and may be extended.

(2) All preparation costs for the Utilization Cooperation incurred after the determination of the Utilization Cooperation partner and the implementation costs of the Utilization Cooperation are borne by the Utilization Cooperation partner.

(3) The provisions on the term as referred to in paragraph (1), subparagraph k, shall not apply in the case of Utilization Cooperation for State/Local-Owned Assets for the provision of infrastructure in the form of:
a. transportation infrastructures including ports on the sea, rivers, and/or lakes, airports, terminals, and/or rail networks and/or railway stations;
b. road infrastructures including special lanes, toll roads, and/or toll bridges;
c. water resource infrastructures, including raw water conveyance channels and/or reservoirs/dams;
d. drinking water infrastructures, including raw water intake structures, transmission networks, distribution networks, and/or drinking water treatment plants;
e. wastewater infrastructures including wastewater treatment plants, collection networks and/or main networks, and/or waste management facilities including transporters and/or disposal sites;
f. telecommunication infrastructures, including telecommunication networks;
g. electricity infrastructures, including power generation, transmission, distribution, and/or electricity installations; and/or
h. oil and/or natural gas infrastructures, including processing, storage, transportation, transmission, and/or distribution of oil and/or natural gas.

(4) The term for the Utilization Cooperation of State/Local-Owned Assets for the provision of infrastructure as referred to in paragraph (3) is a maximum of fifty (50) years from the date the agreement is signed and may be extended.

(5) If the partner in the Utilization Cooperation of State/Local-Owned Assets for infrastructure provision as referred to in paragraph (3) is a State/Local-Owned Enterprises, the fixed contribution and profit sharing may be set at a maximum of 70% (seventy percent) of the results of the calculation of the team as referred to in paragraph (1) subparagraph e.

(6) The amount of the fixed contribution and profit sharing as referred to in paragraph (5) is determined by the

Minister of Finance or an official appointed by the Minister of Finance.

Division Six
Build-Operate-Transfer or Build-Transfer-Operate

Article 34

(1) Build-Operate-Transfer or Build-Transfer-Operate of State/Local-Owned Assets is carried out based on the following considerations:
   a. the Asset User requires buildings and facilities for the administration of state/local government for public service interests in the context of carrying out duties and functions; and
   b. funds are not available or not sufficiently available in the State/Local Budget for the provision of such buildings and facilities.
(2) The Build-Operate-Transfer or Build-Transfer-Operate of State-Owned Assets as referred to in paragraph (1) is carried out by the Asset Manager.
(3) The Build-Operate-Transfer or Build-Transfer-Operate of Local-Owned Assets as referred to in paragraph (1) is carried out by the Local Asset Manager after obtaining approval from the Governor/Regent/Mayor.
(4) State/Local-Owned Assets in the form of land, the use status of which is with the Asset User and has been planned for carrying out the duties and functions of the respective Asset User, may be subject to Build-Operate Transfer or Build-Transfer-Operate after first being handed over to:
   a. the Asset Manager, for State-Owned Assets; or
   b. the Governor/Regent/Mayor, for Local-Owned Assets.
(5) The Build-Operate-Transfer or Build-Transfer-Operate, as referred to in paragraph (4) is carried out by the Asset Manager by involving the Asset User in accordance with their duties and functions.

Article 35

The determination of the Use status of State/Local-Owned Assets as a result of the implementation of Build-Operate Transfer or Build-Transfer-Operate is carried out by:
a. the Asset Manager for State-Owned Assets, in the context of implementing the duties and functions of the relevant Ministries/Institutions; or
b. the Governor/Regent/Mayor for Local-Owned Assets, in the context of implementing the duties and functions of the relevant regional work unit.

Article 36

(1) The term of Build-Operate-Transfer or Build-Transfer Operate shall not exceed thirty (30) years from the date the agreement is signed.

(2) The determination of the Build-Operate-Transfer partner or Build-Transfer-Operate partner is carried out through a tender process.

(3) The designated Build-Operate-Transfer partner or Build-Transfer-Operate partner, during the operating term:
   a. shall pay contributions to the State/Local General Treasury account annually, the amount of which is determined based on the calculation results of a team formed by the authorized official;
   b. shall maintain the Build-Operate-Transfer or Build-Transfer-Operate object; and
   c. shall not pledge, mortgage, or transfer:
      1. the land that is the object of the Build Operate-Transfer or Build-Transfer-Operate;
      2. the proceeds of the Build-Operate-Transfer that are directly used for carrying out the duties and functions of the Central/Local Government; and/or
      3. the proceeds of the Build-Transfer-Operate.

(4) During the operational term, at least 10% (ten percent) of the proceeds of the Build-Operate-Transfer or Build Transfer-Operate must be directly used for carrying out the duties and functions of the Central/Local Government.

(5) Build-Operate-Transfer or Build-Transfer-Operate is carried out based on an agreement which shall at least contain:
   a. the parties bound by the agreement;
   b. the object of the Build-Operate-Transfer or Build-Transfer-Operate;
   c. the term of the Build-Operate-Transfer or Build-Transfer-Operate; and
   d. the rights and obligations of the parties bound by the agreement.

(6) Building permits in the context of Build-Operate Transfer or Build-Transfer-Operate must be in the name of:
   a. the Government of the Republic of Indonesia, for State-Owned Assets; or
   b. the Local Government, for Local-Owned Assets.

(7) All preparation costs for Build-Operate-Transfer or Build-Transfer-Operate incurred after the appointment of the Build-Operate-Transfer or Build-Transfer Operate partner, and the implementation costs of Build Operate-Transfer or Build-Transfer-Operate are borne by the respective partner.

(8) The Build-Operate-Transfer partner for State-Owned Assets must hand over the Build-Operate-Transfer object to the Asset Manager at the end of the operating term, after an audit by the Government internal supervisory apparatus.

(9) The Build-Operate-Transfer partner for Local-Owned Assets must hand over the Build-Operate-Transfer

object to the Governor/Regent/Mayor at the end of the operating term, after an audit by the Government's internal oversight apparatus.

Article 37

(1) Build-Transfer-Operate for State-Owned Assets is carried out in the following procedures:
   a. the Build-Transfer-Operate partner must hand over the Build-Transfer-Operate object to the Asset Manager after the completion of construction;
   b. the results of the Build-Transfer-Operate handed over to the Asset Manager are determined as State-Owned Assets;
   c. the Build-Transfer-Operate partner may utilize the State-Owned Assets as referred to in subparagraph b in accordance with the term specified in the agreement; and
   d. after the utilization term ends, the Build-Transfer Operate object shall first be audited by the Government's internal oversight apparatus before its use is determined by the Asset Manager.

(2) Build-Transfer-Operate for Local-Owned Assets is carried out in the following procedures:
   a. the Build-Transfer-Operate partner must handover the Build-Transfer-Operate object to the Governor/Regent/Mayor after the completion of construction;
   b. the results of the Build-Transfer-Operate handed over to the Governor/Regent/Mayor are determined as Local-Owned Assets;
   c. the Build-Transfer-Operate partner may utilize the Local-Owned Assets as referred to in subparagraph b in accordance with the term specified in the agreement; and
   d. after the utilization term ends, the Build-Transfer Operate object shall first be audited by the Government internal supervisory apparatus before its use is determined by the Governor/Regent/Mayor.

Division Seven
Infrastructure Provision Cooperation

Article 38

(1) Infrastructure Provision Cooperation on State/Local-Owned Assets is carried out for:
   a. State/Local-Owned Assets in the form of land and/or buildings under the Asset Manager/Asset User;
   b. State/Local-Owned Assets in the form of partial land and/or buildings that are still used by the Asset User; or

c. State/Local-Owned Assets other than land and/or buildings.

(2) Infrastructure Provision Cooperation on State/Local-Owned Assets under the Asset Manager as referred to in paragraph (1) subparagraph a is carried out by:
   a. the Asset Manager, for State-Owned Assets; or
   b. the Asset Manager, with the approval from the Governor/Regent/Mayor, for Local-Owned Assets.

(3) Infrastructure Provision Cooperation on State/Local-Owned Assets under the Asset User, as referred to in paragraph (1) subparagraphs a, b, and c is carried out by:
   a. Asset User with the approval from the Asset Manager, for State-Owned Assets; or
   b. Asset User with the approval from the Governor/Regent/Mayor, for Local-Owned Assets.

Article 39

(1) Infrastructure Provision Cooperation of State/Local-Owned Assets is carried out between the Government and Business Entities.

(2) The Business Entities as referred to in paragraph (1) are business entities in the form of:
   a. limited liability companies;
   b. State-Owned Enterprises;
   c. Local-Owned Enterprises; and/or
   d. cooperatives.

(3) The term of Infrastructure Provision Cooperation is a maximum of fifty (50) years and may be extended.

(4) The appointment of partners for Infrastructure Provision Cooperation is carried out in accordance with the provisions of laws and regulations.

(5) Partners for Infrastructure Provision Cooperation who have been appointed, during the term of the Infrastructure Provision Cooperation:
   a. shall not pledge, mortgage, or transfer State/Local-Owned Assets that are the object of the Infrastructure Provision Cooperation;
   b. shall maintain the object of the Infrastructure Provision Cooperation and the assets resulting from the Infrastructure Provision Cooperation; and c. may be charged with a share of excess profits as long as there are excess profits obtained beyond what was determined at the start of the agreement (clawback).

(6) The share of excess profits as referred to in paragraph (5) subparagraph c is deposited into the State/Local General Treasury.

(7) The formula and/or amount of the share of excess profits as referred to in paragraph (5) subparagraph c are determined by:
   a. Asset Manager, for State-Owned Assets; or
   b. Governor/Regent/Mayor, for Local-Owned Assets.

(8) The Infrastructure Provision Cooperation partner must hand over the object of the Infrastructure Provision Cooperation and the assets resulting from the Infrastructure Provision Cooperation to the Government upon the expiration of the Infrastructure Provision Cooperation term in accordance with the agreement.
(9) Assets resulting from the Infrastructure Provision Cooperation become State/Local-Owned Assets from the time they are handed over to the Government in accordance with the agreement.

Division Eight
Tender

Article 40

The tender as referred to in Article 33 paragraph (1) subparagraph b and Article 36 paragraph (2) is conducted in accordance with the following procedures:
a. the tender plan is announced in the national mass media.
b. the tender may proceed as long as there are at least three (3) prospective partner participants that submit bids;
c. if fewer than three (3) prospective partner participants submit bids, a re-announcement is made in national mass media; and
d. if after the re-announcement:
    1. there are at least three (3) prospective partner participants; the process is continued with the tender mechanism.
    2. there are two (2) prospective partner participants, the tender is declared failed, and the subsequent process is carried out through a direct selection mechanism; or
    3. there is one (1) prospective partner participant; the tender is declared failed, and the subsequent process is carried out through a direct appointment mechanism.

Article 41

Further provisions on the procedures for the Utilization of State-Owned Assets are regulated in a Regulation of the Minister of Finance.

CHAPTER VII
SAFEGUARDING AND MAINTENANCE

Division One
Safeguarding

Article 42

(1) Asset Manager, Asset User, and/or Proxy of Asset User shall carry out the safeguarding of State/Local-Owned Assets under his/her control.

(2) The safeguarding of State/Local-Owned Assets as referred to in paragraph (1) includes administrative safeguarding, physical safeguarding, and legal safeguarding.

Article 43

(1) State/Local-Owned Assets in the form of land must be certified in the name of the Government of the Republic of Indonesia/the relevant Local Government.
(2) State/Local-Owned Assets in the form of buildings must be accompanied by proof of ownership in the name of the Government of the Republic of Indonesia/the relevant Local Government.
(3) State-Owned Assets other than land and/or buildings must be accompanied by proof of ownership in the name of the Asset User.
(4) Local-Owned Assets other than land and/or buildings must be accompanied by proof of ownership in the name of the relevant Local Government.

Article 44

(1) Proof of ownership of State/Local-Owned Assets shall be stored in an orderly and secure manner.
(2) The storage of proof of ownership of State-Owned Assets in the form of land and/or buildings is carried out by the Asset Manager.
(3) The storage of proof of ownership of State-Owned Assets other than land and/or buildings is carried out by the Asset User/Proxy of Asset User.
(4) The storage of proof of ownership of Local-Owned Asset is carried out by the Asset Manager.
(5) Further provisions on the procedures for storing ownership documents of State-Owned Assets are regulated in a Regulation of the Minister of Finance.
(6) Further provisions on the procedure for storing ownership documents of Local-Owned Assets are regulated in a Regulation of the Minister of Home Affairs.

Article 45

(1) The Asset Manager may establish an insurance or coverage policy for the safeguarding of certain State-Owned Assets, considering the state's financial capacity.
(2) The Governor/Regent/Mayor may establish an insurance or coverage policy for the safeguarding of certain Local-Owned Assets, considering the region's financial capacity.
(3) Further provisions on the procedure on insurance for State-Owned Assets are regulated in a Regulation of the Minister of Finance.

Division Two
Maintenance

Article 46

(1) The Asset Manager, Asset User, or Proxy of Asset User are responsible for the maintenance of State/Local-Owned Assets under his/her control.
(2) The maintenance as referred to in paragraph (1) is guided by the List of Assets Maintenance Needs.
(3) The cost of maintenance for State/Local-Owned Assets is charged to the State/Local Budget.
(4) If State/Local-Owned Assets are Utilized with Other Parties, the maintenance costs are the full responsibility of the lessee, borrower, Utilization Cooperation partner, Build-Operate-Transfer/Build-Transfer-Operate partner, or Infrastructure Provision Cooperation partner.

Article 47

(1) The Proxy of Asset User shall create a List of Assets Maintenance Results of assets under their authority and report such list periodically in writing to the Asset User.
(2) The Asset User or appointed official examines the report as referred to in paragraph (1) and compiles a list of maintenance results carried out within one (1) Budget Year as material for evaluating the efficiency of maintenance of State/Local-Owned Assets.

CHAPTER VIII
VALUATION

Article 48

Valuation of State/Local-Owned Assets is carried out in the context of preparing the Central/Local Government balance sheet, Utilization, or Transfer, except in the case of:
a. Utilization in the form of Borrow and Use; or
b. Transfer in the form of Grant.

Article 49

The determination of the value of State/Local-Owned Assets in the context of preparing the Central/Local Government balance sheet is carried out based on Government Accounting Standards.

Article 50

(1) Valuation of State-Owned Assets in the form of land and/or buildings in the context of Utilization or Transfer is carried out by:
    a. Government Valuer; or
    b. Public Valuer set by the Asset Manager.
(2) Valuation of Local-Owned Assets in the form of land and/or buildings in the context of Utilization or Transfer is carried out by:

a. Government Valuer; or
b. Public Valuer set by the Governor/Regent/Mayor.

(3) The Valuation of State-Owned Assets, as referred to in paragraph (1), and the Valuation of Local-Owned Assets, as referred to in paragraph (2), are carried out to obtain a fair value in accordance with the provisions of laws and regulations.

(4) Excluded from the provisions as referred to in paragraph (3) is the Sale of State-Owned Assets in the form of land required for the construction of simple multistory housing.

(5) The selling value of State-Owned Assets as referred to in paragraph (4) is determined by the Minister of Finance based on calculation set by the Minister of Public Works.

Article 51

(1) The Valuation of State-Owned Assets other than land and/or buildings in the context of Utilization or Transfer is carried out by a team set by the Asset User, and may involve a Valuer set by the Asset User.

(2) The Valuation of Local-Owned Assets other than land and/or buildings in the context of Utilization or Transfer is carried out by a team set by the Governor/Regent/Mayor, and may involve a Valuer appointed by the Governor/Regent/Mayor.

(3) The Valuation of State-Owned Assets as referred to in paragraph (1) and the Valuation of Local-Owned Assets as referred to in paragraph (2) is carried out to obtain a fair value in accordance with the provisions of laws and regulations.

(4) If the Valuation as referred to in paragraph (3) is carried out by the Asset User without involving a Valuer, then the result of the Valuation of State/Local-Owned Assets shall only be an estimated value.

(5) The result of the Valuation of State/Local-Owned Assets as referred to in paragraph (3) is determined by:
a. the Asset User, for State-Owned Assets; or
b. the Governor/Regent/Mayor, for Local-Owned Assets.

Article 52

(1) Under certain conditions, the Asset Manager may carry out re -Valuation of the State/Local-Owned Assets that have been recorded in the Central/Local Government balance sheet.

(2) Decision on the re-Valuation of State-Owned Assets is implemented based on nationally applicable Government provisions.

(3) Decision on the re-Valuation of Local-Owned Assets is implemented based on policies set by the Governor/Regent/Mayor, guided by nationally applicable Government provisions.

Article 53

(1) Further provisions on the Valuation of State-Owned Assets are regulated in a Regulation of the Minister of Finance.
(2) Further provisions on the Valuation of Local-Owned Assets are regulated in a Regulation of the Minister of Home Affairs, referring to the Regulation of the Minister of Finance as referred to in paragraph (1).

CHAPTER IX
TRANSFER

Division One
General

Article 54

(1) State/Local-Owned Assets that are not needed for the implementation of State/Local Government duties may be transferred.
(2) Transfer of State/Local-Owned Assets as referred to in paragraph (1) is carried out by means of:
    a. Sale;
    b. Asset Swap;
    c. Grant; or
    d. Capital Participation of the Central/Local Government.

Division Two
Approval for Transfer

Article 55

(1) The Transfer of State-Owned Assets as referred to in Article 54 for:
    a. land and/or buildings; or
    b. assets other than land and/or buildings with a value exceeding Rp100,000,000,000.00 (one hundred billion rupiah);

    shall be carried out after obtaining approval from the House of Representatives.
(2) The Transfer of Local-Owned Assets as referred to in Article 54 for:
    a. land and/or buildings; or
    b. other than land and/or buildings valued at more than Rp5,000,000,000.00 (five billion rupiah);

    is carried out after obtaining approval from the Regional House of Representatives.
(3) The Transfer of State/Local-Owned Assets in the form of land and/or buildings as referred to in paragraph (1) subparagraph a and paragraph (2) subparagraph a does not require approval from the House of Representatives/Regional House of Representatives, if:
    a. it no longer conforms to the regional spatial plan or urban planning;

b. it must be written off because the budget for replacement buildings has been provided in the budgeting document;
c. it is designated for civil servants;
d. it is designated for public interest; or
e. it is controlled by the state based on a final and binding court judgment and/or based on the provisions of laws and regulations, where, if its ownership status is maintained, it is not economically viable.

Article 56

(1) The proposal to obtain approval from the House of Representatives as referred to in Article 55 paragraph (1), is submitted by the Asset Manager.
(2) The proposal to obtain approval from the Regional House of Representatives as referred to in Article 55 paragraph (2) is submitted by the Governor/Regent/Mayor.

Article 57

(1) The Transfer of State-Owned Assets in the form of land and/or buildings as referred to in Article 55 paragraph (3) is carried out under the following provisions:
a. for land and/or buildings under the Asset Manager with a value exceeding Rp 10,000,000,000.00 (ten billion rupiah) is carried out by the Asset Manager after obtaining approval from the President;
b. for land and/or buildings under the Asset User with a value exceeding Rp10,000,000,000.00 (ten billion rupiah) is carried out by the Asset User after obtaining approval from the President;
c. for land and/or buildings under the Asset Manager with a value up to Rp10,000,000,000.00 (ten billion rupiah) is carried out by the Asset Manager; or
d. for land and/or buildings under the Asset User with a value up to Rp10,000,000,000.00 (ten billion rupiah) is carried out by the Asset User after obtaining the approval from the Asset Manager.
(2) The Transfer of Local-Owned Assets in the form of land and/or buildings as referred to in Article 55 paragraph (3) is carried out by the Asset Manager after obtaining the approval from the Governor/Regent/Mayor.
(3) The proposal to obtain approval from the President as referred to in paragraph (1), subparagraph b are submitted by the Asset Manager.

Article 58

(1) Transfer of State-Owned Assets other than land and/or buildings is carried out under the following provisions:
a. for State-Owned Assets under the Asset Manager with a value exceeding Rp100,000,000,000.00 (one

hundred billion rupiah) is carried out by the Asset Manager after obtaining the approval from the House of Representatives;

b. for State-Owned Assets under the Asset User with a value exceeding Rp100,000,000,000.00 (one hundred billion rupiah) is carried out by the Asset User after obtaining approval from the House of Representatives;

c. for State-Owned Assets under the Asset Manager with a value exceeding Rp10,000,000,000.00 (ten billion rupiah) up to Rp100,000,000,000.00 (one hundred billion rupiah) is carried out by the Asset Manager after obtaining approval from the President;

d. for State-Owned Assets under the Asset User with a value exceeding Rp10,000,000,000.00 (ten billion rupiah) up to Rp100,000,000,000.00 (one hundred billion rupiah) is carried out by the Asset User after obtaining approval from the President;

e. for State-Owned Assets under the Asset Manager with a value up to Rp10,000,000,000.00 (ten billion rupiah) is carried out by the Asset Manager; or

f. for State-Owned Assets under the Asset User with a value up to Rp10,000,000,000.00 (ten billion rupiah) is carried out by the Asset User after obtaining approval from the Asset Manager.

(2) The proposal to obtain approval from the President as referred to in paragraph (1) subparagraphs c and d are submitted by the Asset Manager.

Article 59

(1) Transfer of Local-Owned Assets other than land and/or buildings with a value up to Rp5,000,000,000.00 (five billion rupiah) is carried out by the Asset Manager after obtaining approval from the Governor/Regent/Mayor.

(2) Transfer of Local-Owned Assets other than land and/or buildings valued at more than Rp5,000,000,000.00 (five billion rupiah) as referred to in Article 56 paragraph (2) subparagraph b is carried out by the Asset Manager after obtaining approval from the Regional House of Representatives.

(3) The proposal to obtain approval from the Regional House of Representatives as referred to in paragraph (2) is submitted by the Governor/Regent/Mayor in accordance with guidelines set by the Minister of Home Affairs.

Division Three
Sale

Article 60

The Sale of State/Local-Owned Assets is carried out with the following considerations:

a. for the optimization of State/Local-Owned Assets that are in excess or not used/utilized;
b. economically more beneficial for the state/region if sold; and/or
c. as an implementation of the provisions of laws and regulations.

Article 61

(1) The Sale of State/Local-Owned Assets is conducted through auction, except in certain cases.
(2) The exceptions in certain cases as referred to in paragraph (1) include:
    a. specific State/Local-Owned Assets;
    b. other State-Owned Assets that are further determined by the Asset Manager; or
    c. other Local-Owned Assets that are further determined by the Governor/Regent/Mayor.
(3) The determination of value for the purpose of Sale of State/Local-Owned Assets through auction, as referred to in paragraph (1), is carried out by considering adjustment factors.
(4) The value as referred to in paragraph (3) constitutes the lowest limit that is notified to:
    a. Asset Manager/Asset User, for State-Owned Assets; or
    b. Governor/Regent/Mayor, for Local-Owned Assets, as the basis for determining the reserve price.
(5) Provisions on the procedures for the Sale of specific State-Owned Assets are regulated in a Regulation of the Minister of Finance.
(6) The Sale of other Local-Owned Assets as referred to in paragraph (2) subparagraph c is carried out through procedures in accordance with guidelines set by the Minister of Home Affairs.

Article 62

The Sale of State/Local-Owned Assets is carried out by:

a. the Asset Manager, for State-Owned Assets under the Asset Manager's control;
b. the Asset User, for State-Owned Assets under the Asset User' control; or
c. the Asset Manager, after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.

Article 63

(1) The Sale of State-Owned Assets as referred to in Article 62 subparagraph b is carried out through the following procedures:
   a. the Proxy of Asset User submits a proposal for the Sale of State-Owned Assets to the Asset User for examination and review;
   b. the Asset User submits a proposal for the Sale of State-Owned Assets to the Asset Manager, attached with considerations of technical, economic, and juridical aspects;
   c. the Asset Manager examines and reviews the proposal for the Sale of State-Owned Assets submitted by the Asset User from technical, economic, and juridical aspects;
   d. if it meets the requirements in accordance with the provisions of laws and regulations, the Asset Manager may approve the proposal for the Sale of State-Owned Assets submitted by the Asset User in accordance with the limits of authority;
   e. for Sale requiring the approval from the President or the House of Representatives, the Asset Manager submits a proposal for the Sale of State-Owned Assets, attached with considerations for the proposal; and
   f. the issuance of implementation approval by the Asset Manager for Sale as referred to in subparagraph e is carried out after obtaining the approval from the President or the House of Representatives.

(2) The Sale of Local-Owned Assets as referred to in Article 62 subparagraph c is carried out in accordance with the following procedures:
   a. the Asset User through the Asset Manager, submit a proposal for the Sale of Local-Owned Assets other than land and/or buildings to the Governor/Regent/Mayor, attached with considerations of technical, economic, and juridical aspects;
   b. the Governor/Regent/Mayor examines and reviews the considerations for the necessity of Sale of Local-Owned Assets other than land and/or buildings from technical, economic, and juridical aspects;
   c. if the requirements are met in accordance with the provisions of laws and regulations, the Governor/Regent/Mayor may approve and designate Local-Owned Assets other than land and/or buildings to be sold in accordance with the limits of authority; and
   d. for Sale requiring the approval from the Regional House of Representatives, the Governor/Regent/Mayor submits a Sale proposal attached with considerations for the proposal.

(3) The proceeds from the Sale of State-Owned Assets shall fully deposited into the State General Treasury account as state revenue.
(4) Proceeds from the sale of Local-Owned Assets shall fully deposited into the Local General Treasury account as local revenue.

Division Four
Asset Swap

Article 64

(1) Asset Swap of State/Local-Owned Assets is carried out with the following considerations:
    a. to meet operational needs for the administration of government;
    b. for the optimization of State/Local-Owned Assets; and
    c. no funds are available in the State/Local Budget.
(2) Asset Swap of State-Owned Assets may be carried out with:
    a. Local Governments;
    b. State/Local-Owned Enterprises or other legal entities owned by the State;
    c. private parties; or
    d. other Foreign Governments.
(3) Asset Swap of Local-Owned Assets may be carried out with:
    a. Central Government;
    b. other Local Governments;
    c. State/Local-Owned Enterprises or other legal entities owned by the state; or
    d. private parties.

Article 65

(1) Asset Swap may take the form of:
    a. land and/or buildings:
        1. under the Asset Manager, for State-Owned Assets; or
        2. that have been handed over to the Governor/Regent/Mayor, for Local-Owned Assets;
    b. land and/or buildings under the Asset User; or
    c. other than land and/or buildings.
(2) The designation of State/Local-Owned Assets in the form of land and/or buildings to be swapped as referred to in paragraph (1) subparagraph a is carried out by:
    a. the Asset Manager, for State-Owned Assets; or
    b. the Governor/Regent/Mayor, for Local-Owned Assets, in accordance with the limits of authority.
(3) The Asset Swap as referred to in paragraph (1) subparagraph a is carried out by:
    a. the Asset Manager, for State-Owned Assets; or

b. the Asset Manager, after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.

(4) The Asset Swap as referred to in paragraph (1) subparagraph b is carried out by:
a. the Asset User after obtaining approval from the Asset Manager, for State-Owned Assets; or
b. the Asset Manager after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.

(5) The Asset Swap as referred to in paragraph (1) subparagraph c is carried out by:
a. the Asset Manager, for State-Owned Assets under the Asset Manager's control.
b. the Asset User after obtaining approval from the Asset Manager, for State-Owned Assets under the Asset User' control; or
c. the Asset Manager after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.

Article 66

(1) The Asset Swap of State-Owned Assets as referred to in Article 65 paragraph (1) subparagraph a and paragraph (5) subparagraph a is carried out in accordance with the following procedures:
a. the Asset Manager assesses the necessity of the Asset Swap of State-Owned Assets from technical, economic, and juridical aspects;
b. if it meets the requirements in accordance with the provisions of laws and regulations, the Asset Manager may designate the State-Owned Assets to be swapped in accordance with the limits of authority;
c. the Asset Swap of State-Owned Assets is carried out through an approval process guided by the provisions as referred to in Article 55 paragraph (1), Article 55 paragraph (3), Article 57 paragraph (1), and Article 58 paragraph (1); and
d. the handover of the relinquished assets and replacement assets must be documented in an official report of asset handover.

(2) The Asset Swap of State-Owned Assets as referred to in Article 65 paragraph (1) subparagraph b and paragraph (5) subparagraph b is carried out in accordance with the following procedures:
a. Asset User submit a proposal for the Asset Swap of State-Owned Assets to the Asset Manager, attached with considerations, complete data, and the results of the internal team’s review of the Asset User' agency.
b. Asset Manager examine and review the considerations for the necessity of the said Asset

Swap of State-Owned Assets from technical, economic, and juridical aspects;

c. if it meets the requirements in accordance with the provisions of laws and regulations, the Asset Manager may approve the proposal for the Asset Swap of State-Owned Assets submitted by the Asset User in accordance with the limits of authority;

d. Asset User carries out the Asset Swap based on the approval from the Asset Manager; and

e. The handover of the relinquished assets and replacement assets must be documented in an official report of asset handover.

Article 67

(1) The Asset Swap of Local-Owned Assets as referred to in Article 65 paragraph (1) subparagraph a and subparagraph b is carried out in accordance with the following procedures:

a. Asset User, through the Asset Manager, submits a proposal for the Asset Swap of Local-Owned Assets in the form of land and/or buildings to the Governor/Regent/Mayor, attached with considerations and data completeness;

b. Governor/Regent/Mayor examines and reviews the considerations for the necessity of exchanging Local-Owned Assets in the form of land and/or buildings from technical, economic, and juridical aspects;

c. if it meets the requirements in accordance with the provisions of laws and regulations, the Governor/Regent/Mayor may approve and designate the Local-Owned Assets in the form of land and/or buildings to be swapped;

d. approval process for the Asset Swap of Local-Owned Assets in the form of land and/or buildings is carried out in accordance with the provisions as referred to in Article 55 paragraphs (2) and (3), and Article 57 paragraph (2);

e. Asset Manager carries out the Asset Swap in accordance with the approval from the Governor/Regent/Mayor; and

f. handover of the relinquished assets and the replacement assets must be documented in an official report of asset handover.

(2) The Asset Swap of Local-Owned Assets, as referred to in Article 65 paragraph (1) subparagraph c, is carried out in accordance with the following procedures:

a. Asset User submits a proposal for the Asset Swap of Local-Owned Assets other than land and/or buildings to the Asset Manager, attached with considerations, data completeness, and the results

of the internal team's review from the Asset User' agency;

b. Asset Manager examines and reviews these considerations from technical, economic, and juridical aspects;
c. if it meets the requirements in accordance with the provisions of laws and regulations, the Asset Manager may approve the proposal for the Asset Swap of Local-Owned Assets other than land and/or in accordance with the limits of authority;
d. approval process for the Asset Swap of Local-Owned Assets other than land and/or buildings is carried out in accordance with the provisions as referred to in Article 59;
e. Asset User carries out the Asset Swap in accordance with the approval from the Asset Manager; and
f. handover of the relinquished Assets and replacement assets must be documented in an official report of asset handover.

Division Five
Grant

Article 68

(1) A Grant of State/Local-Owned Assets is carried out with consideration for social, cultural, religious, humanitarian, non-commercial educational interests, and the administration of state/local government.
(2) The Grant as referred to in paragraph (1) must meet the following conditions:
a. is not state's confidential assets;
b. is not assets that vital for the livelihood of the people at large; and
c. is not needed for carrying out duties and functions and the administration of state/local government.

state/local duties and functions as well as state/local administration

(3) Provisions on the criteria for social, cultural, religious, humanitarian, non-commercial educational interests, and the administration of state/local government as referred to in paragraph (1) are regulated in a Regulation of the Minister of Finance.

Article 69

(1) A Grant may be in the form of:
a. land and/or buildings:
1. those that are under the Asset Manager, for State-Owned Assets;
2. that have been handed over to the Governor/Regent/Mayor, for Local-Owned Assets;

b. land and/or buildings that are under the Asset User; or
c. other than land and/or buildings.

(2) The designation of State/Local-Owned Assets in the form of land and/or buildings to be granted as referred to in paragraph (1) subparagraph a, is carried out by:
a. the Asset Manager, for State-Owned Assets; or
b. the Governor/Regent/Mayor, for Local-Owned Assets, in accordance with the limits of authority.

(3) The Grant as referred to in paragraph (1) subparagraph a is carried out by:
a. the Asset Manager, for State-Owned Assets; or
b. the Asset Manager, after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.

(4) The Grant as referred to in paragraph (1) subparagraph b is carried out by:
a. the Asset User, after obtaining approval from the Asset Manager, for State-Owned Assets; or
b. the Asset Manager, after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.

(5) The Grant as referred to in paragraph (1) subparagraph c is carried out by:
a. the Asset Manager, for State-Owned Assets under the Asset Manager;
b. the Asset User, after obtaining approval from the Asset Manager, for State-Owned Assets under the Asset User; or
c. the Asset User, after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.

Article 70

(1) The Grant of State-Owned Assets as referred to in Article 69 paragraph (1) subparagraph a and paragraph (5) subparagraph a is carried out through the following procedures:
a. Asset Manager reviews the necessity of granting State-Owned Assets based on the considerations and conditions as referred to in Article 68;
b. if it meets the requirements in accordance with the provisions of laws and regulations, the Asset Manager designates State-Owned Assets in the form of land and/or buildings to be granted, in accordance with the limits of authority;
c. the Grant approval process is carried out guided by the provisions of Article 55 paragraphs (1) and (3), Article 57 paragraph (1), and Article 58 paragraph (1); and
d. the handover of the granted assets must be documented in an official report of asset handover.

(2) The Grant of State-Owned Assets as referred to in Article 69 paragraph (1) subparagraph b and paragraph (5)

subparagraph b is carried out through the following procedures:

a. the Asset User submit a Grant proposal to the Asset Manager, attached with considerations, data completeness, and the results of the internal team's review from the Asset User' agency;
b. the Asset Manager examines and reviews the proposal for Grant of State-Owned Assets based on the considerations and conditions as referred to in Article 68;
c. if it meets the requirements in accordance with the provisions of laws and regulations, the Asset Manager may consider approving the Grant proposal submitted by the Asset User in accordance with the limits of authority;
d. the Asset User carries out the Grant guided by the approval from the Asset Manager; and
e. the handover of the granted assets must be documented in an official report of asset handover.

Article 71

(1) The Grant of Local-Owned Assets as referred to in Article 69 paragraph (1) subparagraphs a and b is carried out in accordance with the following procedures:
   a. the Asset User, through the Asset Manager, submit a proposal for the Grant of Local-Owned Assets in the form of land and/or buildings to the Governor/Regent/Mayor, attached with considerations and data completeness;
   b. the Governor/Regent/Mayor examines and reviews the proposal for the Grant of Local-Owned Assets based on the considerations and conditions as referred to in Article 68;
   c. if it meets the requirements in accordance with the provisions of laws and regulations, the Governor/Regent/Mayor may approve and/or designate the Local-Owned Assets in the form of land and/or buildings to be granted;
   d. Grant approval process is carried out in accordance with the provisions of Article 55 paragraph (2), Article 55 paragraph (3), and Article 57 paragraph (2);
   e. Asset Manager carries out the Grant in accordance with the approval from the Governor/Regent/Mayor; and
   f. the handover of the granted assets must be documented in an official report of asset handover.
(2) The Grant of Local-Owned Assets, as referred to in Article 69 paragraph (1) subparagraph c is carried out in accordance with the following procedures:
   a. the Asset User submits a proposal for the Grant of Local-Owned Assets other than land and/or buildings to the Asset Manager, attached with

considerations, data completeness, and the results of the internal team's review of the Asset User' agency;

b. the Asset Manager examines and reviews the proposal for the Grant of Local-Owned Assets based on the considerations and conditions as referred to in Article 68;

c. if it meets the requirements in accordance with the provisions of laws and regulations, the Asset Manager may approve the proposal for the Grant of Local-Owned Assets other than land and/or buildings, in accordance with the limits of authority;

d. the Asset User carry out the Grant based on the approval from the Asset Manager; and

e. the handover of the granted assets must be documented in an official report of asset handover.

Division Six
Capital Participation of the Central/Local Government

Article 72

(1) Capital Participation of the Central/Local Government in State/Local-Owned Assets is carried out in the context of establishing, improving the capital structure, and/or increasing the business capacity of State/Local-Owned Enterprises or other state-owned legal entities in accordance with the provisions of laws and regulations.

(2) The Capital Participation of the Central/Local Government as referred to in paragraph (1), may be carried out with the consideration that:

a. State/Local-Owned Assets, for which initial procurement, in accordance with budgeting document, are intended for State/Local-Owned Enterprises or other state-owned legal entities in the context of government assignment; or

b. State/Local-Owned Assets would be more optimal if managed by State/Local-Owned Enterprises or other state-owned legal entities, whether existing or to be established.

Article 73

(1) Capital Participation of the Central/Local Government in State/Local-Owned Assets may take the form of:

a. land and/or buildings that have been handed over to the Asset Manager for State-Owned Assets and to the Governor/Regent/Mayor for Local-Owned Assets;

b. land and/or buildings under the Asset User; or

c. State/Local-Owned Assets other than land and/or buildings.

(2) The determination of State/Local-Owned Assets in the form of land and/or buildings to be included as capital

of the Central/Local Government, as referred to in paragraph (1) subparagraph a is carried out by:

a. the Asset Manager, for State-Owned Assets; or
b. the Governor/Regent/Mayor, for Local-Owned Assets, in accordance with the limits of authority.

(3) The Capital Participation of the Central/Local Government for State/Local-Owned Assets as referred to in paragraph (1) subparagraph a is carried out by:

a. the Asset Manager, for State-Owned Assets; or
b. the Asset Manager, after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.

(4) The Capital Participation of the Central/Local Government for State/Local-Owned Assets as referred to in paragraph (1) subparagraph b is carried out by:

a. the Asset User, after obtaining approval from the Asset Manager, for State-Owned Assets; or
b. the Asset Manager, after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.

(5) The Capital Participation of the Central/Local Government for State/Local-Owned Assets as referred to in paragraph (1) subparagraph c is carried out by:

a. the Asset Manager for State-Owned Assets that are under the Asset Manager;
b. the Asset User after obtaining approval from the Asset Manager, for State-Owned Assets that are under the Asset User; or
c. the Asset Manager, after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.

Article 74

(1) The Capital Participation of the Central Government for State-Owned Assets as referred to in Article 73 paragraph (1) subparagraph a and paragraph (5) subparagraph a is carried out in accordance with the following procedures:

a. Asset Manager reviews the necessity of the Capital Participation of the Central Government based on the considerations and conditions as referred to in Article 72;
b. Asset Manager designates State-Owned Assets in the form of land and/or buildings to be included as Central Government capital in accordance with the limits of authority;
c. approval process for the Capital Participation of the Central Government is carried out in accordance with the provisions of Article 55 paragraphs (1) and (3), Article 57 paragraph (1), and Article 58 paragraph (1);

d. Asset Manager prepares a Draft Government Regulation on the Capital Participation of the Central Government, involving relevant agencies;
e. Asset Manager submits the Draft Government Regulation to the President for establishment; and
f. Asset Manager carries out the handover of Assets to State/Local-Owned Enterprises or other state-owned legal entities, which is documented in an official report of asset handover after the Government Regulation is issued.

(2) The Capital Participation of the Central Government for State-Owned Assets, as referred to in Article 73 paragraph (1) subparagraph b and paragraph (5) subparagraph b is carried out in the following procedures:
a. Asset User submit a proposal for Capital Participation of the Central Government to the Asset Manager, attached with considerations, data completeness, and the results of the internal team's review of the Asset User' agency.
b. Asset Manager examines and reviews the proposal for Capital Participation of the Central Government submitted by the Asset User based on the considerations and conditions as referred to in Article 72;
c. if it meets the requirements in accordance with the provisions of laws and regulations, the Asset Manager may approve the proposal for Capital Participation of the Central Government submitted by the Asset User in accordance with the limits of authority;
d. Asset Manager prepares a Draft Government Regulation on Capital Participation of the Central Government, involving relevant agencies;
e. Asset Manager submits the Draft Government Regulation to the President for establishment; and
f. Asset User carry out the handover of Assets to State/Local-Owned Enterprises or other state--owned legal entities, which is documented in an official report of asset handover after the Government Regulation is issued.

Article 75

(1) Capital Participation of the Local Government for Local-Owned Assets as referred to in Article 73 paragraph (1) subparagraphs a and b is carried out in accordance with the following procedures:
a. the Asset User, through the Asset Manager, submit a proposal for Capital Participation of the Local Government for Local-Owned Assets in the form of land and/or buildings to the Governor/Regent/Mayor, attached with considerations and data completeness;

b. the Governor/Regent/Mayor examines and reviews the proposal for Capital Participation of the Local Government submitted by the Asset User based on the considerations and conditions as referred to in Article 72;
c. if it meets the requirements in accordance with the provisions of laws and regulations, the Governor/Regent/Mayor may approve and/or designate Local-Owned Assets in the form of land and/or buildings to be included as Local Government capital;
d. the approval process for Capital Participation of the Local Government is carried out in accordance with the provisions of Article 55 paragraph (2), Article 55 paragraph (3), Article 57 paragraph (2) and Article 59;
e. the Asset Manager implements the Capital Participation of the Local Government in accordance with the approval from the Governor/Regent/Mayor;
f. the Asset Manager prepares a Draft Regional Regulation on Capital Participation of the Local Government by involving relevant agencies;
g. the Asset Manager submits the Draft Regional Regulation to the Regional of House of Representatives to be enacted; and
h. the Asset Manager carries out the handover of Assets to State/Local-Owned Enterprises or other state-owned legal entities, as specified an official report of asset handover, after the Regional Regulation is established.

(2) The Capital Participation of the Local Government in Local-Owned Assets as referred to in Article 73 paragraph (1) subparagraph c is carried out in accordance with the following procedures:
a. the Asset User proposes a Capital Participation of the Local Government other than land and/or buildings to the Asset Manager, attached with considerations, data completeness, and the results of the internal team's review of the Asset User' agency;
b. the Asset Manager examines and reviews the proposed Capital Participation of the Local Government submitted by the Asset User based on the considerations and conditions as referred to in Article 72;
c. if it meets the requirements in accordance with the provisions of laws and regulations, the Asset Manager may approve the proposed Capital Participation of the Local Government other than land and/or buildings submitted by the Asset User in accordance with the limits of authority;

d. the Asset Manager prepares the Draft Regional Regulation on Capital Participation of the Local Government by involving relevant agencies;
e. the Asset Manager submits the Draft Regulation of the Region to the Regional House of Representatives for establishment; and
f. the Asset User carries out the handover of Assets to State/Local-Owned Enterprises or other state-owned legal entities which is documented in an official report of asset handover after the Regional Regulation is enacted.

Article 76

Further provisions on the procedures for implementing the Transfer of State-Owned Assets are regulated in a Regulation of the Minister of Finance.

CHAPTER X
DESTRUCTION

Article 77

Destruction of State/Local-Owned Assets is carried out if:
a. State/Local-Owned Assets cannot be used, cannot be utilized, and/or cannot be transferred; or
b. there are other reasons in accordance with the provisions of laws and regulations.

Article 78

(1) Destruction is carried out by:
    a. the Asset User after obtaining approval from the Asset Manager, for State-Owned Assets; or
    b. the Asset User after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.
(2) The implementation of Destruction as referred to in paragraph (1) is documented in an official report and reported to:
    a. the Asset Manager, for State-Owned Assets; or
    b. the Governor/Regent/Mayor, for Local-Owned Assets.

Article 79

Destruction is carried out by burning, demolishing, burying, sinking, or other methods in accordance with the provisions of laws and regulations.

Article 80

Further provisions on the procedures for the Destruction of State-Owned Assets are regulated in a Regulation of the Minister of Finance.

CHAPTER XI
WRITE-OFF

Article 81

Write-Off includes:

a. Write-Off from the User's Asset List and/or User Proxy's Asset List; and
b. Write-Off from the State/Local-Owned Assets List.

Article 82

(1) Write-Off from the User's Asset List and/or User Proxy's Asset List as referred to in Article 81 subparagraph a is carried out when State/Local-Owned Assets are no longer under the control of the Asset User and/or Proxy of Asset User.
(2) The Write-Off as referred to in paragraph (1) is carried out by issuing a Write-off decision from:
    a. the Asset User after obtaining approval from the Asset Manager, for State-Owned Assets; or
    b. the Asset Manager after obtaining approval from the Governor/Regent/Mayor, for Local-Owned Assets.
(3) Excluded from the provision of obtaining approval for Write-Off from the Asset Manager as referred to in paragraph (2) subparagraph a and the Governor/Regent/Mayor as referred to in paragraph (2) subparagraph b are State/Local-Owned Assets that are written off due to:
    a. Transfer of Use Status as referred to in Article 21;
    b. Transfer; or
    c. Destruction.
(4) The Governor/Regent/Mayor may delegate the approval for the Write-Off of Local-Owned Assets in the form of supply items to the Asset Manager.
(5) The implementation of the Write-Off of State-Owned Assets as referred to in paragraph (2) subparagraph a and paragraph (3) is reported to the Asset Manager.
(6) The implementation of the Write-Off of Local-Owned Assets as referred to in paragraph (2) subparagraph b, and paragraph (4) is reported to the Governor/Regent/Mayor.

Article 83

(1) The Write- Off from the State/Local-Owned Assets List as referred to in Article 81 subparagraph b is carried out if the ownership of the State/Local-Owned Assets has been transferred, Destruction has occurred, or for other reasons.
(2) The Write-Off as referred to in paragraph (1) is carried out:
    a. based on the decision and/or report of Write-off from the Asset User, for State/Local-Owned Assets under the Asset User;

b. based on the decision of the Asset Manager, for State-Owned Assets under the Asset Manager; or
c. based on the decision of the Governor/Regent/Mayor, for Local-Owned Assets under the Asset Manager.

CHAPTER XII
ADMINISTRATION

Division One
Bookkeeping

Article 84

(1) The Asset Manager must register and record State/Local-Owned Assets that are in his/her control into the Asset Manager's List in accordance with the classification and codification of assets.
(2) The Asset User/Proxy of Asset User must register and record State/Local-Owned Assets whose use status is with the Asset User/Proxy of Asset User into the User's Asset List/User Proxy's Asset List in accordance with the classification and codification of assets.
(3) The Asset Manager compiles the User's Asset List/User Proxy's Asset List as referred to in paragraph (2).
(4) The Asset Manager prepares the State/Local-Owned Assets List based on the compilation of the User's Asset List/User Proxy's Asset List as referred to in paragraph (3) and the Asset Manager's List in accordance with the classification and codification of assets.
(5) The classification and codification of State-Owned Assets are determined by the Minister of Finance.
(6) The classification and codification of Local-Owned Assets are determined by the Minister of Home Affairs after obtaining consideration from the Minister of Finance.

Division Two
Inventory

Article 85

(1) The Asset User conducts an Inventory of State/Local-Owned Assets at least once every five (5) years.
(2) Where State/Local-Owned Assets as referred to in paragraph (1) are in the form of supply and construction in progress, the Inventory is carried out by the Asset User annually.
(3) The Asset User submits the Inventory report as referred to in paragraphs (1) and (2) to the Asset Manager not later than three (3) months after the completion of the Inventory.

Article 86

The Asset Manager conducts an Inventory of State/Local-Owned Assets in the form of land and/or buildings that are in his/her control at least once every five (5) years.

Division Three
Reporting

Article 87

(1) The Proxy of Asset User must prepare Semi-annual and Annual Asset User Proxy Reports as material for preparing the work unit's balance sheet to be submitted to the Asset User.
(2) The Asset User compiles the Semi-annual and Annual Asset User Proxy Reports as referred to in paragraph (1) as material for preparing the Semi-annual and Annual Asset User Reports.
(3) The Asset Use Report as referred to in paragraph (2) is used as material for preparing the balance sheet of the Ministries/Institutions/regional work unit to be submitted to the Asset Manager.

Article 88

(1) The Asset Manager must prepare Semi-annual and Annual Asset Manager Reports.
(2) The Asset Manager must compile the Semi-annual and Annual Asset User Reports as referred to in Article 87 paragraph (2) and the Asset Manager Report as referred to in paragraph (1) as material for preparing the State/Local-Owned Asset Report.
(3) The Report on State/Local-Owned Assets as referred to in paragraph (2) is used as material for preparing the balance sheet of the Central Government/Local Government.

Article 89

(1) Further provisions on the procedures for bookkeeping, Inventory, and reporting of State-Owned Assets are regulated in a Regulation of the Minister of Finance.
(2) Further provisions on the procedures for bookkeeping, Inventory, and reporting of Local-Owned Assets are regulated in a Regulation of the Minister of Home Affairs.

CHAPTER XIII
GUIDANCE, SUPERVISION, AND CONTROL

Division One
Guidance

Article 90

(1) The Minister of Finance provides guidance on the management of State-Owned Assets and establish

policy for the management of State/Local-Owned Assets.

(2) The policies as referred to in paragraph (1) consist of general policies for State/Local-Owned Assets and/or technical policies for State-Owned Assets.

(3) The Minister of Home Affairs provides guidance on the management of Local-Owned Assets and establish policies in accordance with the general policies as referred to in paragraph (2).

Division Two
Supervision and Control

Article 91

Supervision and Control of State/Local-Owned Assets are carried out by:

a. Asset User through monitoring and enforcement; and/or

b. Asset Manager through monitoring and investigation.

Article 92

(1) The Asset User carries out monitoring and enforcement on the Use, Utilization, Transfer, Administration, maintenance, and safeguarding of State/Local-Owned Assets that are in his/her control.

(2) The implementation of monitoring and enforcement as referred to in paragraph (1) for offices/work units is carried out by the Proxy of Asset User.

(3) The Asset User and the Proxy of Asset User may request the Government internal supervisory apparatus to conduct a follow-up audit on the results of monitoring and enforcement as referred to in paragraphs (1) and (2).

(4) The Asset User and the Proxy of Asset User follow up on the audit results as referred to in paragraph (3) in accordance with the provisions of laws and regulations.

Article 93

The Asset User establishes performance indicators in the field of State-Owned Assets management for the unit responsible for State-Owned Asset management.

Article 94

(1) The Asset Manager conducts monitoring and investigation on the implementation of the Use, Utilization, and Transfer of State/Local-Owned Assets, to ensure the orderly management of the Use, Utilization, and Transfer of State/Local-Owned Assets in accordance with the provisions of laws and regulation.

(2) The monitoring and investigation as referred to in paragraph (1) may be followed up by the Asset Manager by requesting the Government's internal supervisory apparatus to conduct an audit on the implementation of

the Use, Utilization, and Transfer of State/Local-Owned Assets.

(3) The audit results as referred to in paragraph (2) are submitted to the Asset Manager for follow-up in accordance with the provisions of laws and regulations.

Article 95

(1) Further provisions on the procedures for implementing supervision and control over State-Owned Assets are regulated in a Regulation of the Minister of Finance.

(2) Further provisions on the procedures for implementing supervision and control over Local-Owned Assets are regulated in a Regulation of the Minister of Home Affairs.

CHAPTER XIV
MANAGEMENT OF STATE-OWNED ASSETS BY PUBLIC SERVICE AGENCIES

Article 96

(1) State/Local-Owned Assets used by Public Service Agencies/Local Public Service Agencies constitute unseparated State/Local-Owned Assets for carrying out the activities of the respective Public Service Agencies /Local Public Service Agencies.

(2) The management of State/Local-Owned Assets as referred to in paragraph (1) follows the provisions regulated in this Government Regulation and its implementing regulations, except for Assets managed and/or fully utilized for carrying out public service activities in accordance with the duties and functions of Public Service Agencies/Local Public Service Agencies, which is regulated separately in the Government Regulation on Public Service Agencies and its implementing regulations.

Article 97

The Asset Manager may establish a Public Service Agency and/or use the services of Other Parties in the implementation of Utilization and Transfer of State-Owned Assets.

CHAPTER XV
STATE/LOCAL-OWNED ASSETS IN THE FORM OF STATE HOUSES

Article 98

(1) State Houses are State/Local-Owned Assets designated as residences or dwellings and means of development/guidance, as well as supporting the performance of duties of state officials and/or civil servants.

(2) The management of State-Owned Assets in the form of State Houses as referred to in paragraph (1) is carried out by the Asset Manager, Asset User/Proxy of Asset User, or Asset User/Proxy of Asset User for class III state houses, by observing the provisions of laws and regulations on State Houses.

(3) The management of Local-Owned Assets in the form of State Houses as referred to in paragraph (1) is carried out by the Governor/Regent/Mayor, by observing the provisions of laws and regulations on State Houses.

(4) Provisions on the procedures for the Use, Transfer, Write- Off, Administration, supervision, and control of State-Owned Assets in the form of State Houses are regulated in a Regulation of the Minister of Finance.

(5) Provisions on the procedures for the Use, Transfer, Write- Off, Administration, supervision, and control of Local-Owned Assets in the form of State Houses are regulated in a Regulation of the Minister of Home Affairs.

CHAPTER XVI
COMPENSATION AND SANCTIONS

Article 99

(1) Any loss to the State/region due to negligence, misuse, or legal violation in the management of State/Local-Owned Assets is settled through claims for compensation in accordance with the provisions of laws and regulations.

(2) Any party causing loss to the State/region as referred to in paragraph (1) may be subject to administrative sanctions and/or criminal sanctions in accordance with the provisions of laws and regulations.

CHAPTER XVII
MISCELLANEOUS PROVISIONS

Article 100

(1) Officials or employees who manage State/Local-Owned Assets that generate State/Local revenue may be given incentives.

(2) Officials or employees acting as asset administrator in carrying out their routine duties may be given allowances, the amount of which is adjusted to the financial capacity of the State/Region.

(3) The provision of incentives and/or allowances to officials or employees who manage State-Owned Assets as referred to in paragraphs (1) and (2) is regulated in a Regulation of the Minister of Finance.

(4) The provision of incentives and/or allowances to officials or employees who manage Local-Owned Assets as referred to in paragraphs (1) and (2) is regulated in a Regulation of the Regional Head in accordance with guidelines set by the Minister of Home Affairs.

Article 101

(1) The Asset Manager may impose a capital charge on State-Owned Assets to the Asset User.
(2) The Governor/Regent/Mayor may impose a capital charge on Local-Owned Assets to the Asset User.
(3) Further provisions on the capital charge on State-Owned Assets are regulated in a Regulation of the Minister of Finance.

Article 102

The Minister of Finance may provide alternative forms of management for State-Owned Assets upon a request for approval of Use, Utilization, and Transfer from the Asset User.

Article 103

The management of State-Owned Assets derived from special agencies established in the context of bank restructuring is regulated separately by a Regulation of the Minister of Finance.

Article 104

The management of certain State assets derived from other legal acquisitions is regulated separately by a Regulation of the Minister of Finance.

Article 105

Further provisions on the management of Local-Owned Assets are regulated in a Regional Regulation guided by the policy on the management of Local-Owned Assets as referred to in Article 90 paragraph (3).

CHAPTER XVIII
TRANSITIONAL PROVISIONS

Article 106

(1) Upon the entry into force of this Government Regulation:
    a. for the Utilization of State-Owned Assets that have occurred and have not yet obtained approval from the authorized official, the Asset Manager may issue approval for the continuation of the Utilization of State-Owned Assets, provided that the Asset User submit an application for approval for the remaining Utilization term in accordance with the agreement to the Asset Manager, by attaching:
        1. a proposed contribution from the Utilization of State-Owned Assets; and
        2. an audit report from the Government internal supervisory apparatus.

b. for the Utilization of Local-Owned Assets that has occurred and has not yet received approval from the authorized official, the Governor/Regent/Mayor may issue approval for the continuation of the Utilization of Local-Owned Assets, provided that the Asset Manager submits an application for approval for the remaining Utilization term in accordance with the agreement to the Governor/Regent/Mayor, by attaching:
   1. a proposed contribution from the Utilization of Local-Owned Assets; and
   2. audit report by the Government's internal oversight apparatus.

c. Asset Swap of State-Owned Assets that has been carried out without approval from the authorized official and where replacement assets are fully available is continued with the handover of State-Owned Assets with replacement assets between the Asset User and the Asset Swap partner, provided that:
   1. the Asset User ensure that the value of the replacement assets is at least equal to the value of the State-Owned Assets being swapped; and
   2. the Asset User make. a statement of full responsibility for the implementation of the Asset Swap.

d. Asset Swap of Local-Owned Assets that have been carried out without approval from the authorized official and where replacement assets are fully available, is continued with the handover of Local-Owned Assets with replacement assets between the Asset Manager and the Asset Swap partner, provided that:
   1. the Asset Manager ensures that the value of the replacement assets is at least equal to the value of the Local-Owned Assets being swapped; and
   2. the Asset Manager makes a statement of full responsibility for the implementation of the Asset Swap.

(2) The Minister of Finance may issue approval for the Write-Off of State-Owned Assets that have been handed over as referred to in paragraph (1) subparagraph c, based on an application from the Asset User.

(3) The Governor/Regent/Mayor may issue approval for the Write-Off of Local-Owned Assets that have been handed over as referred to in paragraph (1) subparagraph d, based on an application from the Asset Manager.

(4) All legal consequences accompanying the implementation of Utilization before obtaining approval as referred to in paragraph (1) subparagraphs a and b and the implementation of Asset Swap as referred to in paragraph (1) subparagraphs c and d are entirely the

responsibility of the parties in such Utilization or Asset Swap.

Article 107

Upon the entry into force of this Government Regulation:

a. all activities of Planning of Needs and budgeting, procurement, Use, Utilization, safeguarding and maintenance, Valuation, Write-Off, Transfer, Administration, and guidance, supervision and control of State/Local-Owned Assets that have obtained approval and/or determination from the authorized official, are declared to remain valid and their completion process are carried out based on the provisions of laws and regulations before this Government Regulation shall enter into force;
b. all activities of Planning of Needs and budgeting, procurement, Use, Utilization, safeguarding and maintenance, Valuation, Write-Off, Transfer, Administration, and guidance, supervision and control of State/Local-Owned Assets that have not obtained approval and/or determination from the authorized official, their completion process are carried out based on the provisions of this Government Regulation;
c. provisions on the Utilization of State-Owned Assets that have been regulated in laws and regulations on the types and tariffs of Non-Tax State Revenue applicable to Ministries/Institutions, must adjust to the implementation of the Utilization of State-Owned Assets as regulated in this Government Regulation not later than two (2) years as of the promulgation of this Government Regulation;
d. the determination of the value of State-Owned Assets originating from Activity Budget Forms, Project Budget Forms, or Ministries/Institutions Budget Implementation Forms that have been used and/or operated by State-Owned Enterprises and have been recorded in the Balance Sheet of State-Owned Enterprises as undefined status Government assistance or a similar account before this Government Regulation shall enter into force which are designated to be Government Capital Participation in the said State-Owned Enterprises, use:
    1. fair value based on the results of a Valuation by a Valuer, for State-Owned Assets in the form of land; or
    2. the value resulting from a review by the government internal supervisory apparatus, for State-Owned Assets other than land.

Article 108

(1) If the Government Regulation on Public Service Agencies and/or its implementing regulations have not yet regulated the management and/or Utilization of State/Local-Owned Assets as referred to in Article 96

paragraph (2), their management and utilization is guided by the provisions regulated in this Government Regulation.

(2) Agreements for the Utilization Cooperation of State/Local-Owned Assets that have been implemented by Public/Regional Service Agencies before this Government Regulation shall enter into force, are declared valid provided they are shall be adjusted to this Government Regulation not later than two (2) years from the date this Government Regulation is promulgated.

CHAPTER XIX
CLOSING PROVISIONS

Article 109

Upon the entry into force of this Government Regulation, Government Regulation Number 6 of 2006 on the Management of State/Local-Owned Assets (State Gazette of the Republic of Indonesia Year 2006 Number 20, Supplement to the State Gazette of the Republic of Indonesia Number 4609) as amended by Government Regulation Number 38 of 2008 on the Amendment to Government Regulation Number 6 of 2006 on the Management of State/Local-Owned Assets (State Gazette of the Republic of Indonesia Year 2008 Number 78, Supplement to the State Gazette of the Republic of Indonesia Number 4855), are hereby repealed and declared to be no longer in force.

Article 110

(1) The implementing regulations of Government Regulation Number 6 of 2006 on the Management of State/Local-Owned Assets as amended by Government Regulation Number 38 of 2008 on the Amendment to Government Regulation Number 6 of 2006 on the Management of State/Local-Owned Assets shall remain in force insofar as they do not conflict with or have not been replaced by new regulations based on this Government Regulation.

(2) Implementing regulations of Government Regulation Number 6 of 2006 on the Management of State/Local-Owned Assets as amended by Government Regulation Number 38 of 2008 on the Amendment to Government Regulation Number 6 of 2006 on the Management of State/Local-Owned Assets must be adjusted not later than two (2) years from the date this Government Regulation is promulgated.

Article 111

This Government Regulation shall enter into force on the date of its promulgation.

In order to make this Government Regulation known to the public, it is hereby ordered that it be promulgated by its publication in the Official Gazette of the Republic of Indonesia.

Issued in Jakarta,
on 24 April 2014

PRESIDENT OF THE REPUBLIC
OF INDONESIA,

signed

DR. H. SUSILO BAMBANG
YUDHOYONO

Promulgated in Jakarta
on 24 April 2014

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA

signed

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2014 NUMBER 92

Prepared and issued as an official translation

Jakarta, 22 September 2026
DIRECTOR GENERAL OF LEGISLATION
FOR THE MINISTER OF LAW
OF THE REPUBLIC OF INDONESIA,

DIREKTUR JENDERAL PERATURAN PERUNDANG-UNDANGAN KEMENTERIAN HUKUM PENGAYOMAN

DHAHANA PUTRA

Official Translation Notice:
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ELUCIDATION OF
REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 27 OF 2014
ON
MANAGEMENT OF STATE/LOCAL-OWNED ASSETS

I. GENERAL

1. Rationale

The effective and efficient administration of state and local government highly requires the availability of adequate facilities and infrastructure that are well and efficiently managed, in line with the provisions regulated in Law Number 17 of 2003 on State Finance, that the Minister of Finance, as an assistant to the President in the field of State Finance, acts as the Chief Financial Officer (CFO) of the Government of the Republic of Indonesia, authorized and responsible for the national management of state assets and liabilities.

The authority and responsibility of the Minister of Finance in the management of state assets are stipulated in Government Regulation Number 6 of 2006 on the Management of State/Local-Owned Assets.

Government Regulation Number 6 of 2006 on the Management of State/Local-Owned Assets, as amended by Government Regulation Number 38 of 2008 on the Amendment to Government Regulation Number 6 of 2006 on the Management of State/Local-Owned Assets, regulates Planning of Needs and budgeting, procurement, Use, Utilization, safeguarding and maintenance, Valuation, Write-Off, Transfer, Administration, guidance, supervision, and control.

The scope of State/Local-Owned Asset management constitutes a more detailed logistics cycle as an elaboration of the logistics cycle as mandated in the elucidation of Article 49 paragraph (6) of Law Number 1 of 2004 on State Treasury.

In its implementation, the management of State/Local-Owned Assets is becoming increasingly developed and complex, and has not been optimally implemented due to several emerging problems and management practices that cannot yet be carried out under the said Government Regulation.

In connection with the above, Government Regulation Number 6 of 2006 on the Management of State/Local-Owned Assets needs to be replaced to address problems and practices not yet accommodated in the said Government Regulation.

2. General Overview

a. Scope

The scope of State/Local-Owned Assets in this Government Regulation refers to the definition of State/Local-Owned Assets based on the formulation in Article 1 paragraphs 10 and 11 of Law Number 1 of 2004 on State Treasury. The regulation on the scope of

State/Local-Owned Assets in this Government Regulation is limited to the definition of State/Local-Owned Assets that are tangible, however, unless otherwise regulated, this Government Regulation also covers intangible State/Local-Owned Assets as a category of State/Local-Owned Assets other than land and/or buildings.

The management of State/Local-Owned Assets includes Planning of Needs and budgeting, procurement, Use, Utilization, safeguarding and maintenance, Valuation, Transfer, Destruction, Write-Off, Administration, guidance, supervision, and control. The scope of management of State/Local-Owned Assets constitutes a more detailed logistics cycle as an elaboration of the logistics cycle as mandated in the elucidation of Article 49 paragraph (6) of Law Number 1 of 2004 on State Treasury, which is adapted to the treasury cycle.

b. Officials for the Management of State/Local-Owned Assets

Essentially, the procurement of State/Local-Owned Assets is intended for use in carrying out the duties and functions of Asset User/Proxy of Asset User as referred to in Article 42 paragraph (2) of Law Number 1 of 2004 on State Treasury, therefore, if there is a State/Local-Owned Assets not used in carrying out the duties and functions of the Asset User, it shall be handed over to the Asset Manager.

Government Regulation Number 6 of 2006 regulates that Asset User shall hand over State/Local-Owned Assets that are not used to carry out the duties and functions of the Asset User (idle) to the Asset Manager. Under this provision, the Asset Manager is passive, and the implementation of this responsibility must be preceded by Inventory and audit activities. This provision, in its implementation, is less effective in minimizing idle State/Local- Owned Assets.

To restore the original intent of the procurement of State-Owned Assets, the Minister of Finance as the Asset Manager needs to proactively take steps to manage State-Owned Assets that are not used in carrying out government duties and functions, and in its implementation, may delegate some of the authority held. This also applies to Governors/Regents/Mayors in the management of Local-Owned Assets.

c. Planning of Needs, Budgeting, and Procurement of State/Local-Owned Assets

Planning for State/Local-Owned Assets is an activity carried out to connect the availability of State/Local-Owned Assets, resulting from past procurement, with the current situation, to improve the efficiency of state financial management. Planning for State/Local-Owned Assets must reflect the real needs for State/Local-Owned Assets within Ministries/Institutions/regional work units, so that it can serve as a basis for preparing the plan of needs for State/Local-Owned Assets in the work plan and budget of Ministries/Institutions/regional work units.

Planning for State/Local-Owned Assets will subsequently become the basis for Planning of Needs, budgeting, and procurement of State/Local-Owned Assets. The plan of needs for State/Local-Owned Assets is prepared by considering the fulfillment of needs through purchase mechanisms (asset solutions), Borrow and Use, Lease, Lease-purchase (non-asset solutions), or other mechanisms deemed more effective and efficient in accordance with the needs of administration of State/Local government.

d. Use of State/Local-Owned Assets

State/Local-Owned Assets currently used for the administration of government cannot be transferred. The use status of State/Local-Owned Assets must be determined for the Asset User.

State/Local-Owned Assets whose use status has been determined for an Asset User may have their use status transferred to another Asset User or be temporarily used by another Asset User.

e. Administration of State/Local-Owned Assets

The Administration of State/Local-Owned Assets includes bookkeeping, Inventory, and reporting activities. Orderly Administration of State/Local-Owned Assets can simultaneously achieve orderly, effective, and optimal management of State/Local-Owned Assets.

The Administration of State/Local-Owned Assets is carried out in accordance with the general policy on the Administration of State/Local-Owned Assets set by the Minister of Finance.

The results of the Administration of State/Local-Owned Assets are used for preparing the balance sheet of the Central/Local Government, Planning of Needs, procurement, and maintenance of State/Local-Owned Assets, which will directly serve as input for preparing the work plan and budget of Ministries/Institutions/regional work units, and for planning State/Local-Owned Assets.

Reporting of State/Local-Owned Assets is prepared in accordance with an estimated balance sheet consisting of current assets, fixed assets, and other assets. Current assets include inventory, fixed assets include land, equipment and machinery, buildings and structures, irrigation roads and networks, other fixed assets, and construction in progress. Other assets consist of intangible assets, partnership assets with third parties, and fixed assets discontinued from government operational use.

f. Safeguarding and Maintenance of State/Local-Owned Assets

The safeguarding and maintenance of State/Local-Owned Assets are carried out jointly by the Asset Manager/Assets Users/Proxy of Asset User in accordance with the limits of authority. The safeguarding of State/Local-Owned Assets is carried out to ensure administrative order, physical order, and legal order in the management of State/Local-Owned Assets.

g. Valuation of State/Local-Owned Assets

The Valuation of State/Local-Owned Assets is carried out to obtain fair value. The Valuation of State/Local-Owned Assets is conducted for the purpose of preparing government balance sheets, Utilization, and Transfer of State/Local-Owned Assets. Under certain conditions, State/Local-Owned Assets whose values have been determined in the Central Government/Local Government balance sheet may be revalued.

h. Utilization and Transfer of State/Local-Owned Assets

State/Local-Owned Assets in the form of land and/or buildings that are not used in the administration of government and are not currently being utilized shall be handed over to the Asset Manager.

Utilization and Transfer of State/Local-Owned Assets are carried out in order to optimize the Utilization of State/Local-Owned Assets and to support the financial management of the State/Region.

i. Destruction of State/Local-Owned Assets

Destruction of State/Local-Owned Assets is carried out when State/Local-Owned Assets can no longer be used, cannot be utilized, or for other reasons in accordance with the provisions of laws and regulations.

The Destruction of State/Local-Owned Assets must consider the absence of elements of loss for the State/Region and public welfare.

j. Write-Off of State/Local-Owned Assets

Write-Off of State/Local-Owned Assets is the final activity in the management of State/Local-Owned Assets, as an effort to clear the bookkeeping and reports of State/Local-Owned Assets from records of State/Local-Owned Assets that are no longer under the control of the Asset Manager/Asset User/Proxy of Asset User, while always observing the principles in the management of State/Local-Owned Assets.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Paragraph (1)

Self-explanatory.

Paragraph (2)

Subparagraph a

Included in these provisions are grants/donations or similar from countries/international institutions in the framework of disaster management.

Subparagraph b

Included in these provisions are, among others, assets obtained from contracts of work, production sharing contracts, cooperation contracts, and agreements with other countries/international institutions, as well as government cooperation with business entities in infrastructure provision.

Subparagraph c

These provisions also include, among others, State-Owned Assets obtained from foreign/Chinese assets, valuable objects from sunken ship cargo, seized assets, and customs-confiscated assets.

Subparagraph d

Self-explanatory.

Article 3

Self-explanatory.

Article 4

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The term “certain authority and responsibilities” includes, among others, the determination of the stipulation of Use status of State-Owned Assets other than land and/or buildings that do not have

ownership documents or have a certain value, and the Transfer of certain State-Owned Assets.

Paragraph (4)

Self-explanatory.

Article 5

Self-explanatory.

Article 6

Self-explanatory.

Article 7

Paragraph (1)

The term “Head of office” means the leader of a unit having a budget/Budget Implementation List (*Daftar Isian Pelaksanaan Anggaran*/DIPA) within the Ministries/Institutions.

Head of office include, among others, the Secretary General, Inspector General, Director General, Head of Regional Office, and Head of Work Unit Office.

Paragraph (2)

Self-explanatory.

Article 8

Self-explanatory.

Article 9

Paragraph (1)

The term “availability of existing State/Local-Owned Assets” means State/Local-Owned Assets, whether under the Asset Manager or the Asset User.

Paragraph (2)

Procurement planning is made by considering the procurement of assets through purchase mechanisms, Borrow and Use, Lease, leasing, or other more effective and efficient mechanisms in accordance with the needs of the of administration State/Local government.

Planning for maintenance, Utilization, Transfer, and Write-Off of State/Local-Owned Assets can be carried out for a term of one (1) year and three (3) years.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Article 10

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Asset data at the Asset User and/or Asset Manager includes semi-annual Asset User reports, annual Asset User reports, semi- annual Asset Manager reports, annual Asset Manager reports, and asset census, as well as semi-annual and annual State/Local- Owned Assets reports.

Article 11

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Self-explanatory.

Article 14

Self-explanatory.

Article 15

Self-explanatory.

Article 16

Paragraph (1)

The term State-Owned Assets other than lands and/or buildings, under certain conditions, includes, among others, State-Owned Assets that do not have proof of ownership or have a certain value.

Paragraph (2)

The term Local-Owned Assets other than land and/or buildings, under certain conditions include, among others, Local-Owned Assets that do not have proof of ownership or have a certain value.

Article 17

Paragraph (1)

Subparagraph a

The proposal for Use includes State-Owned Assets used by the Asset User in carrying out the duties and functions.

Subparagraph b

The determination of the Use status of State-Owned Assets by the Asset Manager is accompanied by the recording of said State-Owned Assets in the User's Asset List by the Asset User.

Paragraph (2)

Subparagraph a

The proposal for Use includes Local-Owned Assets used by the Asset User in carrying out the duties and functions.

Subparagraph b

The stipulation of the Use status of Local-Owned Assets by the Governor/Regent/Mayor is accompanied by the recording of said Local-Owned Asset in the User's Asset List by the Asset User.

Paragraph (3)

The term “certain conditions” includes, among others, requests from other agencies such as the Court and the National Land Agency, and the determination of State-Owned Assets derived from other legal acquisitions.

Article 18

Self-explanatory.

Article 19

Paragraph (1)

The approval from the Asset Manager at least contains provisions regarding the authority and responsibilities of the Asset User and temporary Asset User.

Paragraph (2)

The approval from the Governor/Regent/Mayor at least contains provisions regarding the authority and responsibilities of the Asset User and temporary Asset User.

Article 20

Self-explanatory.

Article 21

Self-explanatory.

Article 22

Self-explanatory.

Article 23

Self-explanatory.

Article 24

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

“Other sources” includes, among others, the results of supervision and control carried out by the Asset Manager or the Governor/Regent/Mayor, and reports from the public.

Paragraph (4)

Self-explanatory.

Article 25

Self-explanatory.

Article 26

Paragraph (1)

Subparagraph a

State-Owned Assets under the control of the Asset Manager may consist of land and/or buildings, part of land and/or buildings, and other than land and/or buildings.

Subparagraph b

Local-Owned Assets under the control of the Asset Manager include, among others, land and/or buildings handed over to the Asset Manager.

Subparagraph c

State-Owned Assets under the control of the Asset User may consist of land and/or buildings, part of land and/or buildings, and other than land and/or buildings.

Subparagraph d

Self-explanatory.

Paragraph (2)

The term “technical considerations” includes, among others, those about the condition or state of the State/Local-Owned Assets and the Use plan.

Article 27

Self-explanatory.

Article 28

Paragraph (1)

Subparagraph a

State-Owned Assets under the Asset Manager may consist of land and/or buildings, part of land and/or buildings, and other than land and/or buildings.

Subparagraph b

Local-Owned Assets under the Asset Manager include, among others, land and/or buildings transferred to the Asset Manager.

Subparagraph c

State-Owned Assets under the Asset User may consist of land and/or buildings, part of land and/or buildings, and assets other than land and/or buildings.

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 29

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Subparagraph a

The term “infrastructure cooperation” means the provision of infrastructure in accordance with the provisions of the Laws and Regulations.

Subparagraph b

Self-explanatory.

Subparagraph c

The term “otherwise determined in Law” means matters such as the Rent term for multistory housing.

Paragraph (4)

The term “formula for the tariff of Lease” means the calculation of the Lease value by multiplying a certain index by the value of State/Local-Owned Assets.

The term “amount of Rent” means the determined nominal value of the Lease for State/Local-Owned Assets.

Paragraph (5)

The term “consider the economic value” includes, among others, considering the community's purchasing power/ability to pay and/or the community's willingness to pay.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Paragraph (10)

The term “infrastructure cooperation” means the provision of infrastructure in accordance with the provisions of Laws and Regulations.

Article 30

Paragraph (1)

Transfer of Asset Use between Users of State-Owned Assets or between Users of Local-Owned Assets are not included in the definition of Borrow and Use.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 31

Self-explanatory.

Article 32

Paragraph (1)

Subparagraph a

State-Owned Assets under the Asset Manager may consist of land and/or buildings, part of land and/or buildings, and other than land and/or buildings.

Subparagraph b

Local-Owned Assets under the Asset Manager include, among others, land and/or buildings handed over to the Asset Manager.

Subparagraph c

State-Owned Assets under the Asset User can be in the form of land and/or buildings, part of land and/or buildings, and other than land and/or buildings.

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 33

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

"State/Local-Owned Assets of a special nature" includes, among others:

a. assets with specific specifications in accordance with the provisions of laws and regulations;
b. assets with a special level of complexity, such as airports, seaports, refineries, power generation installations, and dams/reservoirs;
c. assets that are subject to investment cooperation based on bilateral agreements between countries; or
d. other assets set by the State-Owned Asset Manager or the Governor/Regent/Mayor.

Subparagraph c

Self-explanatory.

Subparagraph d

Self-explanatory.

Subparagraph e

The calculation of the amount of profit-sharing contribution, which is the share of the Central/Local Government, must consider the comparison of the value of State/Local-Owned Assets used as the object of Utilization Cooperation and other benefits received by the Central/Local Government with the value of the partner's investment in the Utilization Cooperation.

Subparagraph f

Self-explanatory.

Subparagraph g

Self-explanatory.

Subparagraph h

Self-explanatory.

Subparagraph i

Self-explanatory.

Subparagraph j

Self-explanatory.

Subparagraph k

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

The determination of the amount of fixed contribution and profit sharing is carried out by considering the financial capability of State/Local-Owned Enterprises.

Article 34

Paragraph (1)

Subparagraph a

The specifications of buildings and facilities in the implementation of Build-Operate-Transfer or Build-Transfer-Operate are adjusted to the needs in carrying out the duties and functions of the central/local government.

Subparagraph b

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

The participation of the Asset User in the implementation of Build-Operate-Transfer or Build-Transfer-Operate begins from the construction preparation phase, construction implementation, up to the handover of the results of the Build-Operate-Transfer or Build-Transfer-Operate.

Article 35

The term “result” means the buildings and facilities that have been handed over by the partner after the expiration of the agreed term for Build-Operate-Transfer or after the completion of construction for Build-Transfer-Operate.

Article 36

Self-explanatory.

Article 37

Self-explanatory.

Article 38

Self-explanatory.

Article 39

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

An extension of the cooperation term can only be granted in the event of government force majeure, such as the impact of government policies caused by economic, political, social, and security crises.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Article 40

Partner selection conducted through direct selection is based on the consideration of benefits for the state/region.

Article 41

Self-explanatory.

Article 42

Self-explanatory.

Article 43

Self-explanatory.

Article 44

Self-explanatory.

Article 45

Self-explanatory.

Article 46

Paragraph (1)

The term “maintenance” means a series of activities to preserve the condition and repair all State/Local-Owned Assets so that they are always in good and proper condition and ready for efficient and effective use.

Paragraph (2)

The List of Asset Maintenance Needs is part of the List State/Local-Owned Asset Needs.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 47

Paragraph (1)

The term “Periodically” is every six months/per semester.

Paragraph (2)

Self-explanatory.

Article 48

Self-explanatory.

Article 49

Self-explanatory.

Article 50

Paragraph (1)

The term “Government Valuer” means a Civil Servant Valuer within the Government who is appointed by the authority of the Minister of Finance and given the duties, authority, and responsibility to conduct Valuation, including independently assessing their results.

The term “Public Valuer” means a Valuer other than a Government Valuer who holds a Valuation practice license and is a member of a Valuer association recognized by the Government.

Paragraph (2)

The term “Government Valuer” means a Civil Servant Valuer within the government who is appointed by the authority of the Minister of Finance and given the duties, authority, and responsibility to conduct Valuation, including independently assessing their results.

The term “Public Valuer” means a Valuer other than a Government Valuer who holds a Valuation practice license and is a member of a Valuer association recognized by the Government.

Paragraph (3)

The term “fair value” means the estimated price that would be received from selling an asset or paid to settle a liability between knowledgeable, willing market participants in an arm's length transaction on the Valuation date.

The fair value obtained from the Valuation results is the responsibility of the Valuer.

The term “provisions of laws and regulations” includes, among others, provisions regulating Valuation standards.

Paragraph (4)

The exclusion of the Sale of State-Owned Assets from paragraph (3) is intended to ensure that the objective of developing simple apartment buildings can be achieved, while still considering the fairness of the price/value of said State-Owned Assets.

Paragraph (5)

Self-explanatory.

Article 51

Paragraph (1)

The term “team” means a price estimating committee whose members consist of relevant agencies.

The term “Valuer” means a Government Valuer or a Public Valuer.

Paragraph (2)

The term “team” means a price estimating committee whose members consist of relevant agencies.

The term “Valuer” means a Government Valuer or a Public Valuer.

Paragraph (3)

The term “provisions of laws and regulations” includes among others, provisions regulating Valuation standards.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 52

Paragraph (1)

The term “re-Valuation” means a revaluation process in accordance with Government Accounting Standards, the valuation method of which is carried out in accordance with Valuation standards.

Paragraph (2)

The term “nationally applicable Government provisions” means policies set by the Government for all Central Government entities.

Paragraph (3)

The term “nationally applicable Government provisions” means policies set by the Government for all Local Government entities.

Article 53

Self-explanatory.

Article 54

Self-explanatory.

Article 55

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Subparagraph a

No longer conforming to regional spatial plan means that at the location of the State/Local-Owned Assets in the form of the land and/or buildings concerned, there is a change in the designation and/or function of the local area, for example, from an office area designation to a commercial area designation.

No longer conforming to urban planning means that adjustments need to be made regarding the State/Local- Owned Assets in the form of the land and/or buildings concerned, resulting in a change in the said land and/or buildings.

Subparagraph b

What is written off is the building standing on the land to be demolished, which will then be replaced by a new building on the same land (reconstruction) in accordance with the budget allocation provided in the budgeting document.

Subparagraph c

The term “land and/or buildings designated for civil servants” is:

- land and/or buildings that fall under the category of Class III State/regional houses.

- land, which is a plot of land that, in accordance with its initial planning, was for the construction of civil servant housing.

Subparagraph d

The term “public interest” means activities in the interests of the nation and state, the wider community, the public/collective, and/or development interests, including activities of the Central/Local Government within the scope of friendly relations between a state/region and other states or international communities/institutions.

Categories of activities that fall under public interest include:

- public roads, including access roads in accordance with laws and regulations, toll roads, and railway tracks;
- drinking water/clean water channels and/or wastewater channels;
- reservoirs, dams, and other irrigation structures, including irrigation canals;
- general hospitals and community health centers;
- ports, airports, railway stations, or terminals;
- places of worship;
- schools or non-commercial educational institutions;
- public markets;
- public burial facilities;
- public safety facilities, including embankments for flood, lava, and other disaster mitigation;
- postal and telecommunications facilities and infrastructure;
- public sports facilities and infrastructure;
- radio and television broadcasting stations, along with their supporting facilities for public broadcasting institutions;
- government offices, local government offices, foreign country representatives, the United Nations, and international organizations under the auspices of the United Nations;
- Indonesian National Armed Forces and Indonesian National Police facilities in accordance with their duties and functions;
- simple multistory housing;
- public waste disposal sites;
- nature reserves and cultural heritage sites;
- national cultural promotion;
- public parks;
- social welfare institutions;
- correctional institutions; and
- power generation, turbines, transmission, and distribution of electricity, including their supporting installations, which form an inseparable unit.

Subparagraph e

Self-explanatory.

Article 56

Self-explanatory.

Article 57

Self-explanatory.

Article 58

Self-explanatory.

Article 59

Self-explanatory.

Article 60

The term “not used/utilized” means that State/Local-Owned Assets are not used for the purpose of carrying out the duties and functions of Ministries/Institutions/regional work units, or are not utilized by other parties.

Article 61

Paragraph (1)

The term “auction” means the Sale of State/Local-Owned Assets that is open to the public with written and/or verbal price offers that increasingly rise or fall to reach the highest price, preceded by an auction announcement, and must be conducted in the presence of an auction official.

Paragraph (2)

Subparagraph a

The term “State/Local-Owned Assets of a specific nature” includes assets specifically regulated in accordance with the provisions of laws and regulations, for example, Class III State Houses sold to occupants.

Subparagraph b

Self-explanatory.

Subparagraph c

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

The term “reserve price” means the minimum price of the assets to be auctioned and determined by the Asset Manager/Asset User as the seller.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 62

Self-explanatory.

Article 63

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

Self-explanatory.

Subparagraph d

Self-explanatory.

Subparagraph e

The term “in accordance with the limits of authority” means as referred to in Articles 55, 57, and 58 of this Government Regulation.

Subparagraph f

Self-explanatory.

Paragraph (2)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

The term “in accordance with the limits of authority” means as referred to in Articles 55 and 59 of this Government Regulation.

Subparagraph d

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 64

Paragraph (1)

Asset Swap is carried out if the government cannot provide substitute land and/or buildings.

Paragraph (2)

The term “private parties” means private parties, whether in the form of a legal entity or an individual.

Paragraph (3)

The term “private parties” means private parties, whether in the form of a legal entity or an individual.

Article 65

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

Land and/or buildings under the Asset User include, among others, land and/or buildings still used in carrying out the duties and functions of the Asset User’ duties and functions but are not in accordance with the regional spatial plan or urban planning.

Subparagraph c

Self-explanatory.

Paragraph (2)

The term “in accordance with the limits of authority” means as referred to in Articles 55 and 57 of this Government Regulation.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 66

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

The term “in accordance with the limits of authority” means as referred to in Articles 55, 57, and 58 of this Government Regulation.

Subparagraph c

Self-explanatory.

Subparagraph d

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 67

Paragraph (1)

Self-explanatory.

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

The term “in accordance with the limits of authority” means as referred to in Articles 55 and 59 of this Government Regulation.

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-explanatory.

Article 68

Paragraph (1)

The term “administration of State/Local Government” includes inter-state relations, inter-local relations, relations between the Central Government and Local Governments, relations between the Central Government/Local Governments and the public/international institutions, and the implementation of activities that support carrying out the duties and functions of the Central Government or Local Governments.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 69

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

Land and/or buildings under the Asset User include, among others, land and/or buildings whose acquisition from the outset is planned to be granted as stated in the budgeting document.

The term "budgeting document" includes, among others, the Ministries/Institutions Work Plan and Budget (*Rencana Kerja dan Anggaran Kementerian/Lembaga* [RKA-KL]) or the Budget Implementation Document (*Daftar Isian Pelaksanaan Anggaran* [DIPA]).

Subparagraph c

The term "State/Local-Owned Assets other than land and/or buildings" includes:

a. State/Local-Owned Assets other than land and/or buildings, the acquisition of which from the outset is for granting;
b. State/Local-Owned Assets other than land and/or buildings that would be more optimal if they are granted.

Paragraph (2)

The term "in accordance with the limits of authority" means as referred to in Articles 55 and 57 of this Government Regulation.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 70

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

The term "in accordance with the limits of authority" means as referred to in Articles 55, 57, and 58 of this Government Regulation.

Subparagraph c

Self-explanatory.

Subparagraph d

Self-explanatory.

Paragraph (2)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

The term "in accordance with the limits of authority" means as referred to in Articles 55, 57, and 58 of this Government Regulation.

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Article 71

Paragraph (1)

Self-explanatory.

Paragraph (2)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

The term "in accordance with the limits of authority" means as referred to in Articles 55 and 59 of this Government Regulation.

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Article 72

Paragraph (1)

Self-explanatory.

Paragraph (2)

Subparagraph a

The term "budgeting document" includes, among others, the Ministries/Institutions Work Plan and Budget (*Rencana Kerja dan Anggaran Kementerian/Lembaga* [RKA-KL]) or the Budget Implementation Document (*Daftar Isian Pelaksanaan Anggaran*/DIPA).

Subparagraph b

Self-explanatory.

Article 73

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

Land and/or buildings under the Asset User include, among others, land and/or buildings whose acquisition from the outset is planned to be included as capital for the Central/Local Government, as stated in the budgeting document.

The term "budgeting document" includes, among others, the Ministries/Institutions Work Plan and Budget (*Rencana Kerja dan Anggaran Kementerian/Lembaga* [RKA-KL]) or the Budget Implementation Document (*Daftar Isian Pelaksanaan Anggaran* [DIPA]).

Subparagraph c

State/Local-Owned Assets other than land and/or buildings as referred to in this paragraph include:

a. State/Local-Owned Assets other than land and/or buildings, the acquisition of which from the outset is intended to be included as capital for the Central/Local Government;
b. State/Local-Owned Assets other than land and/or buildings which are more optimally included as capital for the Central/Local Government.

Paragraph (2)

The term "in accordance with the limits of authority" means as referred to in Articles 55 and 57 of this Government Regulation.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 74

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

The term “in accordance with the limits of authority” means as referred to in Articles 55, 57, and 58 of this Government Regulation.

Subparagraph c

Self-explanatory.

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-explanatory.

Paragraph (2)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

The term “in accordance with the limits of authority” means as referred to in Articles 55, 57, and 59 of this Government Regulation.

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-explanatory.

Article 75

Paragraph (1)

Self-explanatory.

Paragraph (2)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

The term “in accordance with the limits of authority” means as referred to in Articles 55 and 59 of this Government Regulation.

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-explanatory.

Article 76

Self-explanatory.

Article 77

Self-explanatory.

Article 78

Self-explanatory.

Article 79

Self-explanatory.

Article 80

Self-explanatory.

Article 81

Self-explanatory.

Article 82

Paragraph (1)

State/Local-Owned Asset is no longer under the control of the Asset User and/or Proxy of Asset User due to:

a. handover to the Asset Manager;
b. transfer of the Use status of State/Local-Owned Asset other than land and/or buildings to another Asset User;
c. Transfer of State/Local-Owned Asset other than land and/or buildings to Other Parties;
d. a final and binding court decision and there are no other legal remedies;
e. implementing provisions of law;
f. Destruction; or
g. other reasons include loss, theft, fire, shrinkage, evaporation, and melting.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The term “certain State-Owned Assets” includes, among others, supply items and main weapon system equipment.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 83

Paragraph (1)

The term “transfer of ownership” is, among others, due to the aforementioned State/Local-Owned Asset having undergone Transfer, or in the context of implementing a final and binding court decision and there are no other legal remedies.

The term “for other reasons” is, among others, due to loss, theft, fire, shrinkage, evaporation, and melting.

Paragraph (2)

Self-explanatory.

Article 84

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

The State/Local-Owned Assets List includes State/Local-Owned Assets utilized by Other Parties.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 85

Self-explanatory.

Article 86

Self-explanatory.

Article 87

Self-explanatory.

Article 88

Self-explanatory.

Article 89

Self-explanatory.

Article 90

Paragraph (1)

The term “policy” means a policy issued by the Minister of Finance in writing, whether in the form of Regulation of the Minister of Finance/Decision or letters of the Minister of Finance, which contains principles for the management of State/Local-Owned Assets.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 91

Self-explanatory.

Article 92

Self-explanatory.

Article 93

Self-explanatory.

Article 94

Self-explanatory.

Article 95

Self-explanatory.

Article 96

Paragraph (1)

The term “Public Service Agencies” means an agency within the Central/Local Government established to provide services to the public in the form of provision of assets and/or services which are sold without prioritizing profit-making and in carrying out its activities based on the principles of efficiency and productivity.

Paragraph (2)

The term “fully utilized for carrying out public service activities in accordance with the duties and functions” means that services performed by the Public Service Agencies/Local Public Service Agencies must be in accordance with and not deviate from the duties and functions of the respective Public Service Agency/Local Public Service Agency.

All revenues from the management of State/Local-Owned Assets, other than those managed and/or fully utilized for carrying out the duties and functions of the respective Public Service Agency/Regional Public Service Agency activities, shall be deposited into the State/Local General Treasury as state/local revenue.

Article 97

The establishment of the Public Service Agencies and/or the use of the services of Other Parties is intended to ensure that the implementation of Utilization and Transfer can be carried out more professionally.

Article 98

Self-explanatory.

Article 99

Self-explanatory.

Article 100

Self-explanatory.

Article 101

Self-explanatory.

Article 102

Self-explanatory.

Article 103

Self-explanatory.

Article 104

The term “certain State assets” includes, among others, former foreign/Chinese-owned assets; assets from upstream oil and gas, mineral and coal, and geothermal business activities; confiscated assets of customs and excises; assets originating from valuable objects from sunken ship cargo; assets obtained/seized based on legally binding court decisions; gratification assets handed over to the Corruption Eradication Commission; assets from ex-Banks Under Liquidation, Frozen Operation

Banks, and Frozen Business Activity Banks; and grant assets for disaster management.

Article 105
Self-explanatory.

Article 106
Self-explanatory.

Article 107
Self-explanatory.

Article 108
Self-explanatory.

Article 109
Self-explanatory.

Article 110
Self-explanatory.

Article 111
Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 5533